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John Spellman, Governor
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WASHINGTON STATE

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Research and Analysis Branch
Washington State Employment Security Department

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Jennie Piott, Chief
Research and Analysis Branch
Washington State
Employment Security Department
Olympia, Washington 98504
Telephone: (206) 753-5224

Vern Divers
Labor Market Analyst
Employment Security Department
212 Maple Park
Olympia, Washington 98504
Telephone: (206) 753-5205

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HIGHLIGHTS

From 1970 to 1980, the population of Washington State increased 21 percent. The 1980 total of 4,130,000 was 217,000 greater than the 1970 population total. Population changes by county varied from a loss of 15.2 percent in Garfield County to a gain of 103.3 percent in San Juan County. Only three counties registered population loss over the years 1970-1980 - Kittitas (-0.6) in Central Washington, Garfield (-15.2) and Columbia (-8.6) in Southeast Washington. Together they represented a loss of only 987 individuals. These are agricultural counties with relatively stable economies but a declining labor force due to mechanization and other factors.

The two island counties recorded the largest percentage gains over the 10 year period - San Juan with 103.3 percent (up 3,982) and Island County, 68.1 percent (up 17,037). These islands have exceptional natural beauty and a mild climate.

Stevens County in Northeastern Washington with a 66.5 percent increase attracted 11,574 more individuals. Benton County added 41,904 for a ten year gain of 62 percent and Thurston County grew 61.4 percent through an addition of 47,270 persons. Numerically, Pierce County attracted the greatest number - 158,375. Washington now has nine counties with populations of over 100,000: Benton, Clark, King, Kitsap, Pierce, Snohomish, Spokane, Thurston and Whatcom. Newcomers to the over 100,000 class are Benton, Thurston and Whatcom counties.

In 1981 the population of Washington State increased 99,000 to a total of 4,229,000. It is anticipated that the state's population will continue to increase gradually and that in 1983 there will be another 61,600 individuals to bring the population up to 4,290,600.

Employment growth in Washington State came to a halt in Federal Fiscal Year (FFY) 1981. In contrast to a job gain of 40,900 in FFY 1980, there was a decline in employment of 13,400 in FFY 1981. The combination of a declining national demand in lumber, aerospace, metals, and pulp-paper; continued high interest rates; and cut-backs in local, state and Federal programs is expected to cause an additional decline in employment of 49,000 in FFY 1982. Nationally, economic recovery is anticipated to begin in July 1982, but a turnaround in Washington State's economy is likely to lag behind the national recovery. By 1983, as the economy improves, employment is expected to show a moderate return to its pattern of previous years as it increases 12,200.

Improvement in many of the state's major industries is dependent upon improvement in national economic conditions and a decrease in interest rates. Aerospace, the state's largest source of manufacturing jobs, is expected to continue its downward trend until profitability returns to the airline industry. Home building, and therefore the lumber and construction industries, will remain depressed until interest rates decline. The construction industry will be further hampered in both 1982 and 1983 because of the suspension of work on one nuclear power project and the near completion of another nuclear power plant. The

size of state and local government is also projected to decline in 1982 and 1983 because of the combined effect of low tax revenues and cut-backs in Federal programs.

The need for employment and training services is evidenced by a combination of related factors for which FFY 1983 projections are available. It has been estimated that 369,100 persons will be eligible for one or more CETA programs, and that approximately 340,450 persons aged fourteen and over may have a family income below the poverty level. Although there is considerable overlap among these groups, the total number of persons requiring job-related services is likely to exceed the number in any single group.

Age, education and race appear to be contributing factors in the makeup of the disadvantaged. Approximately 20 percent of the economically disadvantaged were under age 22. Individuals with less than a high school education represented 38.7 percent of the disadvantaged applicants at Job Service Centers versus 29.4 percent of the nondisadvantaged. Minority groups comprised 24.2 percent of the disadvantaged job applicants but 18.2 percent of the nondisadvantaged. Minorities constitute approximately 10.2 percent of the total population of Washington State.

Although the economically disadvantaged are of special concern because of the many barriers they face in finding and retaining suitable employment, the majority of persons requiring employment and training services are not disadvantaged. Some are without employment for a few weeks, while others may be jobless for months, depending on economic conditions. Many who are in seasonal industries become unemployed each year.

Barriers confronting disadvantaged individuals in securing employment are both economic and non-economic, with the latter being the principal limiting factor in many instances. Among the major non-economic barriers are lack of education, job experience and/or job training, child care and transportation problems, physical and mental handicaps, and age and minority group status. Many disadvantaged individuals must overcome more than one of these factors before becoming employed.

Many female heads of households encounter problems of low pay on the one hand and high job related costs on the other (child care, transportation, etc.). Minorities still have greater difficulty securing suitable employment than others, despite significant progress in recent years. Many native Americans are at a locational disadvantage relative to employment and training facilities.

GEOGRAPHIC DESCRIPTION OF THE STATE

Washington State, the most northwesterly of the contiguous United States, is divided into east and west by the Cascade Mountain Range. These mountains are rugged with ridges between 3,000 and 8,000 feet. Several volcanic peaks reach above the 9,000 foot level, the highest of which is Mount Rainier (14,410 feet). The Cascades form a natural barrier between east and west, resulting in striking contrasts in climate, vegetation, geography, population density, and economic activities.

The mountains provide many economic and recreational opportunities. The lower slopes of the Cascades are thickly forested on the western side; scattered stands of pine and alpine grasslands are common on eastern slopes. There are many rivers and lakes, and the skiing terrain is excellent.

Western Washington has a mild but relatively wet climate and can be divided geographically into three general regions.

The Olympic Peninsula, dominated by the snow-capped Olympic Mountains, records the heaviest rainfall in the continental United States. The lower slopes of the mountains are covered by thick rain forests.

Southwestern Washington consists of coastal plains in the west and high hills to the east extending to the foothills of the Cascades. The mild climate is characterized by long periods of moderate rainfall. Mt. St. Helens is located on the eastern edge of this area.

The Puget Sound region, a valley between the Olympic and Cascade Mountains, features an extension of the sea that reaches to the heart of Western Washington. Along the one hundred or so miles of Puget Sound are hundreds of islands and numerous bays and deep water harbors. Two of the three largest cities in the state, Seattle and Tacoma, are located on the sound as is Olympia, the state capitol. The Puget Sound region is the hub of industrial activity in Washington.

Eastern Washington is characterized by more extreme temperature variations and relatively little precipitation.

The Okanogan Highlands, extending east from the Cascade Range across North Central Washington, consist mostly of mountains, forested uplands and numerous river valleys.

The Columbia Basin consists of a mixture of plains, ridges, coulees, alluvial valleys, low rounded hills of wind-deposited soil, and elevated plateaus. The area is higher around its margins and slopes inward to low and level plains.

The varied topography within the Columbia Basin creates several sub-areas which differ in structure and topography:

The Waterville Plateau - a high plateau in the northwest corner of the basin.

The Channeled Scablands - a belt of dry terrain to the east carved by the floods from retreating glaciers into a series of coulees.

The Palouse Hills - low rounded hills of wind-deposited soil along with some elevated plateaus which occupy the eastern edge of the basin to the Blue Mountains to the south.

Yakima Folds - a series of hilly ridges extending from the Cascades eastward into the southern part of the Columbia Basin. Between the ridges are rich alluvial valleys formed by the Yakima River and its tributaries.

The Central Plains - in the center of the Columbia Basin. Along with the Yakima Valley, this area contains more than two-thirds of the irrigated agricultural acreage of the state.

Spokane, the second largest city in Washington, is located on the eastern rim of the Columbia Basin and is the major population and trade center of Eastern Washington.

POPULATION CHARACTERISTICS AND TRENDS

Population Trends - State

The population of Washington increased by nearly 719,000, or 21 percent, from 1970 to 1980. This is down slightly from last year's estimate of a 21.8 percent increase, made prior to release of 1980 U.S. Census data. The national rate of population growth for the same period was 11.4 percent. Over the last two decades, Washington's growth rate was 44.8 percent compared with a national rate of 26.3 percent.

The annual rate of Washington's population growth peaked in 1980 at 3.8 percent following a continuous growth pattern that began in 1973. The previous peak was in 1968 at 3.3 percent. The state's growth rate between 1980 and 1981 dropped back to an estimated 2.3 percent. The rate in 1982 is expected to drop further to 0.9 percent.

A major characteristic of population trends over the past two decades has been their cyclical behavior - a reflection of wide swings in net migration.

Migration, of course, is directly related to the state of the economy. Thus, we find that net immigration was high in 1967 through 1968 and again in the late 1970's. Both were periods of rapid economic growth.

Conversely, the period of net outmigration (1970-73) coincided with a major Boeing Company cutback followed by a national recession. During the decade of the 1970's, net migration varied from an outmigration of 28,700 in 1972 to an immigration of 115,300 in 1980. Of the 717,000 net population increase between 1970 and 1980, 414,800, or 58 percent, occurred in the last three years. Net immigration accounted for two-thirds of the population increase during the decade and natural increase accounted for one-third. During the previous decade, the state's population increased by 560,000 with net immigration accounting for only 45 percent of the total but nearly all of the annual fluctuations.

The current recession is reflected in a net immigration drop from the 1980 peak of 115,300 to an estimated 60,000 in 1981. Current estimates for 1982 by the Office of Fiscal Management indicate a net outmigration of 1,000 persons. By April 1, 1983, it is estimated that net outmigration may have increased to about 13,000 persons.

Table 1 shows the trends in Washington's net migration and its population compared with that of the United States.

TABLE 1

POPULATION GROWTH - UNITED STATES COMPARED WITH WASHINGTON
 NET MIGRATION - WASHINGTON
 1970-1981

	<u>UNITED STATES</u>		<u>WASHINGTON</u>		<u>WASHINGTON</u>
	<u>Population</u> <u>(X 1,000)</u>	<u>% Change</u> <u>(Since 1970)</u>	<u>Population</u> <u>(X 1,000)</u>	<u>% Change</u> <u>(Since 1970)</u>	<u>Net Migration</u> <u>(X 1,000)</u>
1970	203,235	0.0	3,413	0.0	-13.7
1971	205,597	1.2	3,436	0.7	-7.1
1972	208,439	2.6	3,430	0.5	-28.7
1973	210,036	3.3	3,444	0.9	-3.3
1974	211,551	4.1	3,509	2.8	46.1
1975	212,796	4.7	3,568	4.5	39.4
1976	214,280	5.4	3,635	6.5	45.8
1977	215,892	6.2	3,715	8.8	55.4
1978	217,599	7.1	3,836	12.4	93.9
1979	219,442	8.0	3,979	16.6	113.0
1980	226,505	11.4	4,132	21.0	115.3
1981	229,283	12.8	4,229	23.9	60.0

SOURCES: U.S. Department of Commerce, Bureau of the Census
 State of Washington, Office of Financial Management

Population Trends - Intrastate

Six counties - Benton, Ferry, Island, San Juan, Stevens, and Thurston-- had 1970 to 1980 population growth rates of from 59 to 103 percent. Another six counties had growth rates of from 40 to 50 percent. These were Clallam, Clark, Jefferson, Mason, Kitsap, and Pend Oreille.

On the other end of the spectrum, four counties - Columbia, Garfield, Kittitas, and Lincoln - experienced either a loss or virtually no gain in population during the 1970's. Another five counties had growth rates of less than 10 percent.

The state's population is heavily concentrated in the Puget Sound area, particularly in King, Pierce, and Snohomish counties. The combined population of those three counties in 1970 amounted to 54 percent of the state's total. By 1980, their relative position had slipped slightly to 51 percent. This simply means that other counties grew faster during that period. For example, the combined population of Clallam, Island, Jefferson, Kitsap, Mason, San Juan, Skagit, Thurston, and Whatcom--all bordering Puget Sound--increased from 12 to 14 percent of the state total. Three Southwest Washington counties - Clark, Cowlitz, and Skamania - increased from 6 to 7 percent of the state's population during the same period.

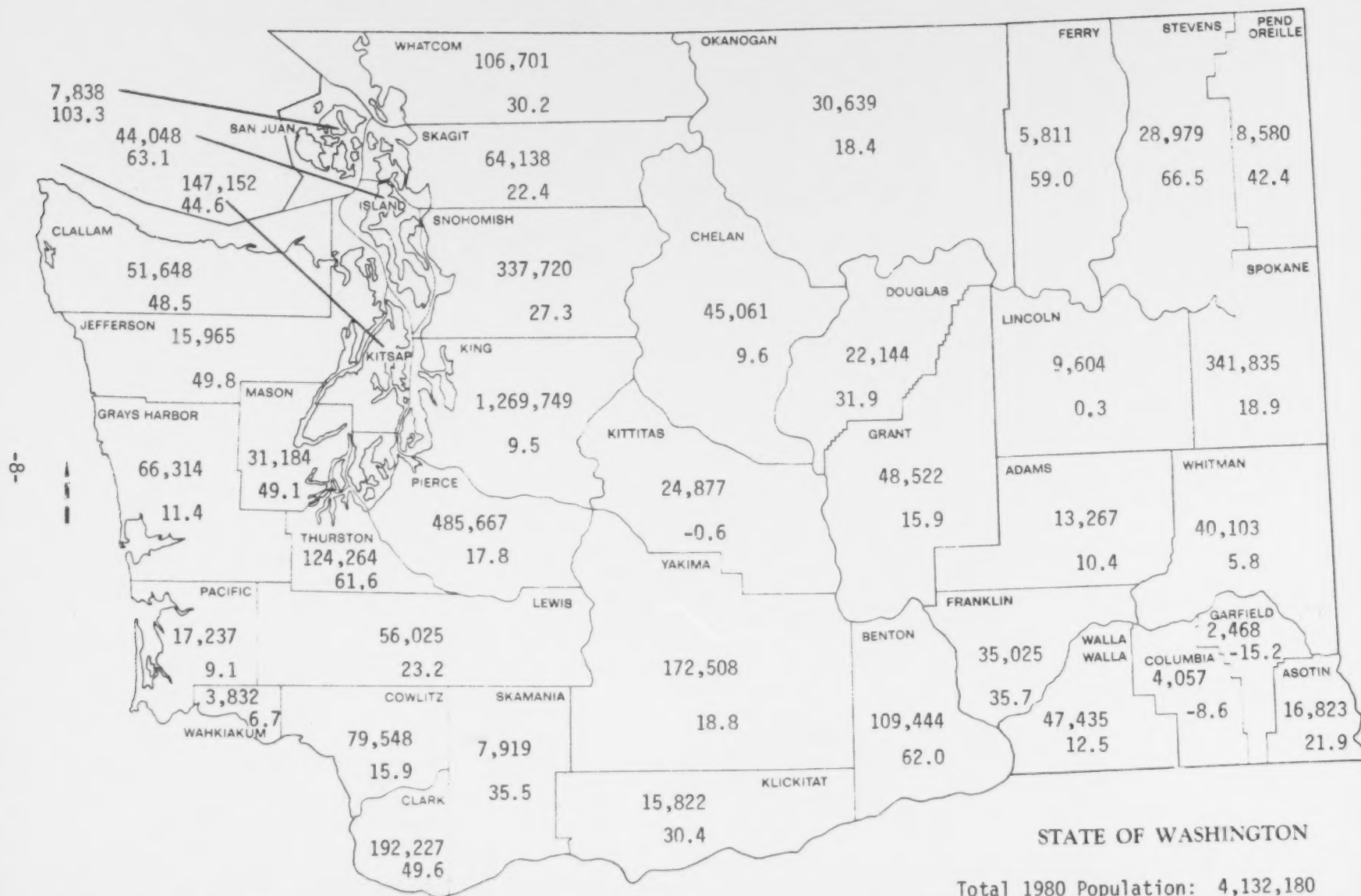
Eastern Washington, with well over half the land area, had only one-fourth of the population in both 1970 and 1981. Significant numerical gains in such counties as Benton, Spokane, and Yakima were offset by losses in some counties and only moderate growth in others. Although a number of counties enjoyed a relatively high rate of growth in recent years, their population base is too low to significantly effect the statewide distribution. This phenomenon is well illustrated by Pend Oreille County which registered a 42 percent gain from 1970 to 1980 but, numerically, the net increase was only 2,555, or less than one-half of one percent of the statewide increase.

As previously noted, more people left the state than moved in until the 1973-74 period when the trend reversed. County trends, however, were mixed until late in the decade. King County, for example, registered the state's largest net immigration between 1970 and 1981, but all of it occurred in the last three years. Clark County, on the other hand, the third highest in cumulative net immigration for the same period, posted a net gain every year. Other counties registering net immigration throughout the period were Douglas, Klickitat, Lewis, Mason, San Juan, Spokane, Thurston, and Whatcom. Five of the top ten counties in cumulative net immigration since 1970 experienced net outmigration until 1975 or later.

By 1981, the top 10 counties in cumulative net immigration since 1970 were King (86,743), Snohomish (60,680), Clark (51,218), Kitsap (43,894), Thurston (43,555), Pierce (43,033), Benton (36,066), Spokane (35,728), Whatcom (21,213), and Yakima (15,031). Together, these counties accounted for 80 percent of the total immigration for the state.

FIGURE 1

POPULATION OF WASHINGTON COUNTIES - 1980 AND PERCENT CHANGES, 1970-1980



Source: U. S. Census

Total 1980 Population: 4,132,180
Percent Change 1970-1980: 21.1

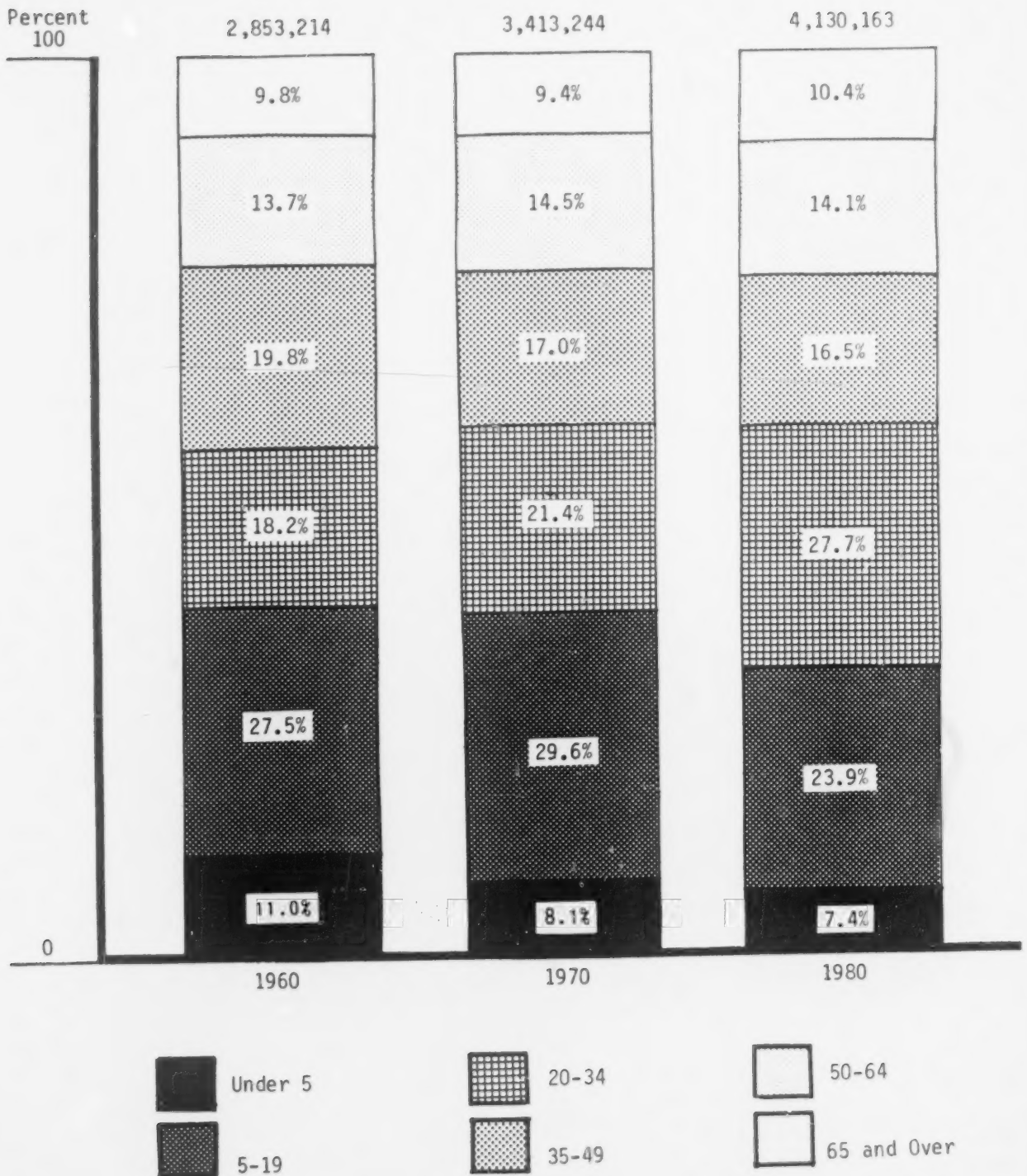
Changing Age Structure

The 1970's was a period of natural population growth, near record immigration, and a moderate degree of redistribution within the state. It was also a period in which the internal makeup - the age structure - of the population changed quite dramatically. During the 1960's, the working age population remained relatively stable in its share of the total population. The age 20 to 64 category increased by only one percent. The age 65 and over group dropped from 9.8 to 9.4 percent of the state population. The principal change was an increase in the 5 to 19 age group and a corresponding decrease in the under age 5 category. Figure 2 illustrates the relative size of various age categories for the years 1960, 1970, and 1980.

It was during the 1970's that the post World War II baby boom hit the job market. The 20 to 34 age group increased from 21.4 percent of the population in 1970 to 27.7 percent in 1980. Numerically, this amounted to an increase of about 415,000 individuals, or 57 percent, over the 729,000 individuals in the 20 to 34 year group in 1970. During the same period, the 65 years and older group increased by 110,700, or 34.5 percent, over the 1970 total of 320,700. They represented 10.4 percent of the total population in 1980 compared to 9.4 percent in 1970. The middle groups, comprised of ages 35 to 64, dropped from 31.5 percent of the population in 1970 to 30.6 percent in 1980.

FIGURE 2

AGE STRUCTURE: STATE OF WASHINGTON
1960-1980



Source: State of Washington, Office of Fiscal Management, August 1981.

Racial and Ethnic Composition

The total minority population increased 77.5 percent, from 6.7 percent of the state's population in 1970 to 9.8 percent in 1980 (Table 2). This increase is somewhat overstated because of some inconsistencies between the 1970 and 1980 censuses. For example, Asian Indians were counted as "White" in 1970 but "Asian and Pacific Islanders" in 1980. Pakistanis were "White" in 1970 but "Other" in 1980. Among persons of Spanish origin, those who designated themselves Mexican, South American, or Cuban were counted as "White" in 1970 but as "Other" in 1980.

Census inconsistencies also distorted comparisons of racial categories within the minority population as shown in the following tabulation:

<u>Race Category</u>	<u>1970 Census</u>	<u>1980 Census</u>
American Indian	American Indian	American Indian, Eskimo, Aleutian
Asian & Pacific Islander	Japanese, Chinese Filipino, Hawaiian, Korean	Japanese, Chinese, Filipino, Hawaiian, Korean, Asian Indian, Vietnamese, Guamanian, Samoan
Other	Eskimo, Aleutian, Asian, Indian, Vietnamese, Guamanian, Samoan, Cambodian, Indo-Chinese, Pakistani, Indonesian, Fijian	Cambodian, Indo-Chinese, Pakistani, Indonesian, Fijian

TABLE 2

POPULATION BY SEX, AGE AND RACE/ETHNIC GROUPS
WASHINGTON STATE
1970, 1980, AND PROJECTED 1983
(In Thousands)

	TOTAL POPULATION 1970	PERCENT OF TOTAL	TOTAL POPULATION 1980	PERCENT OF TOTAL	PERCENT CHANGE 1970-1980	PROJECTED POPULATION 1983	PERCENT OF TOTAL	PERCENT CHANGE 1970-1983
TOTAL POPULATION	3,413.2	100.0	4,132.2	100.0	21.1	4,290.6	100.0	25.7
Sex								
Male	1,695.7	49.7	2,052.4	49.7	21.0	2,133.7	49.7	25.8
Female	1,717.5	50.3	2,079.8	50.3	21.1	2,156.9	50.3	25.6
Age Group								
19 and under	1,289.2	37.8	1,293.2	31.3	0.3	1,286.2	30.0	-0.2
20-21	124.6	3.6	159.0	3.8	27.6	150.1	3.5	20.5
22-44	978.6	28.7	1,473.4	35.7	50.6	1,603.4	37.4	63.8
45-54	393.2	11.5	392.0	9.5	-0.3	395.2	9.2	0.5
55 and older	627.7	18.4	814.6	19.7	29.8	855.7	19.9	36.3
Race								
White	3,184.3*	93.3	3,725.9*	90.2	17.0	3,851.7*	89.8	21.0
Total Minority**	228.9	6.7	406.3	9.8	77.5	438.9	10.2	91.7
Black	71.3	2.1	104.0	2.5	45.9	113.1	2.6	58.6
Native American	33.4	1.0	52.8	1.3	58.1	54.5	1.3	63.2
Asian	44.1	1.3	101.0	2.4	129.0	110.3	2.6	150.1
Other	9.4	.3	28.5	0.7	203.2	31.9	0.7	239.4
Ethnic Group								
Spanish Origin	70.7	2.1	120.0	2.9	69.7	129.1	3.0	82.6

SOURCES: U.S. Department of Commerce, Bureau of the Census; and State of Washington, Office of Financial Management.

* The 1970 and 1980 data for racial groups and Spanish Origin persons are not strictly comparable. See page 11 for clarification of racial categories. The 1980 figure for white excludes 53.3 that are included in Spanish Origin but are in fact white. For 1983, 55.1 whites of Spanish Origin are excluded from the white total.

**Includes Spanish Origin. However, individual racial groups do not include people of Spanish origin.

TABLE 3

WASHINGTON STATE POPULATION, 1970 AND PROJECTED 1983

	TOTAL		WHITE		BLACK		OTHER NONWHITE	
	1970	1983	1970	1983	1970	1983	1970	1983
BOTH SEXES								
Total	3,413,244	4,290,600	3,260,955	3,906,800	71,463	114,800	80,826	269,000
0 - 15	1,027,843	1,016,000	973,870	896,200	26,086	33,500	27,887	86,300
16 - 19	262,148	270,200	249,379	240,900	5,988	9,000	6,781	20,300
20 - 24	296,500	391,400	280,196	344,900	8,277	15,600	8,027	30,900
25 - 34	432,869	788,900	412,277	712,700	9,271	22,500	11,321	53,700
35 - 44	374,456	573,100	356,614	526,600	7,735	12,800	10,107	33,700
45 - 64	698,716	783,000	675,294	734,900	11,307	15,700	12,115	32,400
65 and Over	320,712	468,000	313,325	450,600	2,799	5,700	4,588	11,700
MALE								
Total	1,695,784	2,133,700	1,617,943	1,935,900	37,919	62,200	39,922	135,600
0 - 15	525,029	520,100	498,107	459,200	12,986	16,900	13,936	44,000
16 - 19	134,304	138,400	127,425	122,800	3,355	4,900	3,524	10,700
20 - 24	148,936	201,900	139,800	175,500	5,031	9,600	4,105	16,800
25 - 34	218,489	399,900	208,159	360,300	5,064	12,600	5,266	27,000
35 - 44	186,102	290,000	177,833	266,400	4,109	7,200	4,160	16,400
45 - 64	344,673	384,400	332,165	361,400	6,020	8,300	6,488	14,700
65 and Over	138,251	199,000	134,454	190,300	1,354	2,700	2,443	6,000
FEMALE								
Total	1,717,460	2,156,900	1,643,012	1,970,900	33,544	52,600	40,904	133,400
0 - 15	502,814	495,900	475,763	437,000	13,100	16,600	13,951	42,300
16 - 19	127,844	131,700	121,954	118,100	2,633	4,000	3,257	9,600
20 - 24	147,564	189,500	140,396	169,500	3,246	6,000	3,922	14,000
25 - 34	214,380	389,100	204,118	352,500	4,207	9,900	6,055	26,700
35 - 44	188,354	283,300	178,781	260,200	3,626	5,700	5,947	17,400
45 - 64	354,043	398,500	343,129	373,400	5,287	7,400	5,627	17,700
65 and Over	182,461	268,900	178,871	260,200	1,445	3,000	2,145	5,700

TABLE 4
PROJECTED POPULATION
BY MAJOR LABOR MARKET AREAS
OF WASHINGTON STATE
1983

	<u>1980 Census</u>	<u>Projected Population 1983</u>	<u>Percent Change 1980 - 1983</u>
WASHINGTON STATE	4,132,180	4,290,600	3.8
Seattle-Everett SMSA	1,607,469	1,672,000	4.0
King County	1,269,749	1,322,600	4.2
Snohomish County	337,720	349,400	3.5
Tacoma (Pierce County)	485,667	506,300	4.2
Spokane (Spokane County)	341,835	353,500	3.4
Clark County	192,227	203,800	6.0
Yakima (Yakima County)	172,508	176,800	2.5
Kitsap County	147,152	151,900	3.2
Richland-Kennewick-Pasco (Benton & Franklin Counties) . .	144,469	151,000	4.5
Thurston County	124,264	133,900	7.8
Bellingham (Whatcom County) . .	106,701	110,700	3.7
Balance of State	809,888	830,700	2.6

Sources: U.S. Department of Commerce, Bureau of the Census; and State of Washington, Office of Financial Management.

LABOR FORCE CHARACTERISTICS AND TRENDS

The combined impact of natural population growth, changing age structure of the population, a rising work force participation rate, and immigration resulted in a 40 percent gain in Washington's civilian labor force between 1970 and 1980. While most of this is due to population growth, such factors as a changing age structure and a continuing upward trend in labor force participation by women, teenagers, retirees, and military personnel were of increasing importance.

As shown in the following table, Washington's civilian labor force participation rate increased by about six percentage points during the 1970's. The participation rate for females increased about 11 percentage points and for males, less than one point. Washington's participation rate was below the national rate in 1970 but above it in 1980 for both males and females.

Civilian Labor Force Participation Rates,
Washington and the United States, 1970 and 1980

	WASHINGTON		UNITED STATES	
	<u>1970</u>	<u>1980</u>	<u>1970</u>	<u>1980</u>
Female	40.7	52.3	43.4	51.5
Male	77.6	78.1	79.7	77.5
Total	58.8	64.8	60.4	63.8

SOURCES: 1980 Current Population Survey, Annual Average; and
1970 Census of Population

TABLE 5

POPULATION AND LABOR FORCE, WASHINGTON STATE, 1970 AND PROJECTED FY 1983

	1970						
	WHITE 1/			NONWHITE			
	<u>TOTAL</u>	<u>MALE</u>	<u>FEMALE</u>	<u>TOTAL</u>	<u>MALE</u>	<u>FEMALE</u>	<u>TOTAL</u>
Population	3,413,244	1,617,943	1,643,012	3,260,955	77,841	74,448	152,289
Resident Civilian Labor Force	1,414,005	860,477	497,733	1,358,210	33,037	22,758	55,795
Employment	1,284,006	788,066	447,376	1,235,442	28,394	20,170	48,565
Unemployment	129,999	72,411	50,357	122,768	4,643	2,588	7,230
Unemployment Rate	9.2	8.4	10.1	9.0	14.0	11.4	13.0

	PROJECTED FY 1983 2/						
	WHITE 1/			NONWHITE			
	<u>TOTAL</u>	<u>MALE</u>	<u>FEMALE</u>	<u>TOTAL</u>	<u>MALE</u>	<u>FEMALE</u>	<u>TOTAL</u>
Population	4,290,600	1,935,900	1,970,900	3,906,800	197,800	186,000	383,800
Resident Civilian Labor Force	1,998,600	1,044,300	799,400	1,843,700	90,200	64,700	154,900
Employment	1,774,400	932,000	716,600	1,648,600	70,400	55,400	125,800
Unemployment	224,200	112,000	82,400	194,400	20,300	9,500	29,800
Unemployment Rate	11.2	10.7	10.3	10.5	22.5	14.7	19.2

1/ Includes Spanish surname.

2/ Because of changes in methodology these projections are not strictly comparable with those appearing in prior publications.

As noted earlier, the post World War II baby boom hit the job market during the 1970's. Besides its impact on the size of the civilian labor force, it was a source of a rising proportion of new and inexperienced job-seekers. The economy was able to absorb the growing number of unskilled workers, with only brief periods of rising unemployment, until the current recession began in late 1979.

Projections by the Office of Financial Management point to a decrease in the young adult population, particularly in the 20 to 24-year age group, during the decade of the 1980's. Relative to the total population, the proportion of men and women of working age will remain about the same but the percentage of older, more highly skilled workers will be larger than during the previous decade. Such changes in the composition of the workforce are usually associated with higher productivity and greater incentives for the substitution of capital for labor. Because older workers tend to save more, a higher rate of personal savings might also be realized.

EMPLOYMENT DEVELOPMENTS AND OUTLOOK BY INDUSTRY

Description of Major Industry Divisions

Trade, both retail and wholesale, is the largest sector in Washington's economy. It provides employment for about 24 percent of the nonagricultural wage and salary workforce. Retail establishments employ roughly three-fourths of the total workers in the trade sector. Eating and drinking places employ the largest number of workers in the retail category followed by food stores, miscellaneous retail (mostly drug stores and liquor stores), general merchandise stores, department stores, and auto dealers/service stations, to name only a few.

Government--Federal, state, and local--is the second largest employer in the state. Approximately 80 percent of all government workers are employed by state and local agencies. More than one-half of these are employed in public education--schools, colleges and universities. State and local governmental agencies, other than education, employ about 36 percent of the government workforce.

The third largest employing sector is comprised of a broad range of services industries. Nationally, as well as within the state, employment in services industries has grown rapidly in the last few decades and the trend continues. Among the principal providers in this group are educational, health, legal, social, business, and personal services establishments. Also included are repair shops of all kinds, hotels, motels, resorts, motion picture theaters, and a host of amusement and recreation industries. Health services is the fastest growing industry in this group and currently employs about one-third of all workers involved. Hospitals and nursing homes account for about half the employment in health services. The other half is distributed among physicians, dentists, psychiatrists, dental and medical laboratories, and outpatient-care facilities. Health-care employment in the state rose from 86.7 thousand in 1975 to 112.1 thousand in 1980, an increase of 29.3 percent. The services industries as a whole provide employment for about 20 percent of the total nonagricultural workforce.

Manufacturing ranks fourth as a source of employment for Washington nonagricultural workers, accounting for about 19 percent of the total. Roughly 71 percent of manufacturing employment is in durable goods producing industries. Manufacturers of transportation equipment, principally aerospace, employ the largest number of workers. Lumber and wood products industries employ the second highest number. These industries include logging, sawmills, planing mills, veneer, plywood, cabinets, containers, mobile homes, prefabricated structures, and many other wood products.

Among the nondurable goods producing industries, manufacturing or processing of foods, beverages, and related products employs the largest number of people. It is also one of the more highly seasonal industries because of the perishability of fruits and vegetables. Processors of canned and preserved foods account for more than one-third of the employment in the foods and beverages industries. Ranking

second and third in total number of jobs, among nondurable goods producing industries, are the paper/pulp and the printing/publishing industries, respectively.

The fields of finance, insurance, and real estate provide employment for about 6 percent of the state's nonagricultural wage and salary workforce. However, this is an understatement of the total employment in this group because of the large number of licensed real estate and insurance agents who are self-employed and thus not counted in the wage and salary figures.

Transportation, communications, and utilities include providers of all modes of transportation, both passenger and freight, and freight warehousing; all forms of communication (telephone, radio, television, etc.) and communication services (cablevision, etc.); and providers of electric, gas, water supply, and sanitary services. Just under 6 percent of the nonagricultural workforce is employed in this group of industries.

The construction industry, while representing only about 5.5 percent of the state's nonagricultural workforce, has been second only to the services industries in rate of growth during the past eleven years. Like logging and food processing, employment in the construction industry is noted for its wide seasonal fluctuations. Also, like the entire lumber and wood products industry, construction employment is very sensitive to the ups and downs in the general economy.

Mining and quarrying, a relatively small industry employment-wise in Washington, consists mainly of sand and gravel quarrying. Employment growth has been relatively slow but consistent.

TABLE 6

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
ANNUAL AVERAGE 1977-1981
AND PERCENT CHANGE 1980-1981 AND 1977-1981

	Annual Average (In Thousands)					Percent Change	
	1981	1980	1979	1978	1977	1980	1977
	1981	1981	1981	1981	1981	1981	1981
RESIDENT CIVILIAN LABOR FORCE	1,987.0	1,982.0	1,937.0	1,808.0	1,691.0	+0.3	+17.5
EMPLOYMENT	1,798.0	1,826.0	1,806.0	1,685.0	1,544.0	-1.5	+16.5
UNEMPLOYMENT	189.0	156.0	131.0	124.0	148.0	+21.2	+27.7
Percent of Labor Force	9.5	7.9	6.8	6.8	8.8	+20.3	+8.0

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
ANNUAL AVERAGE 1977-1981
AND PERCENT CHANGE 1980-1981 AND 1977-1981

	Annual Average (In Thousands)					Percent Change	
	1981	1980	1979	1978	1977	1980	1977
	1981	1981	1981	1981	1981	1981	1981
TOTAL NONAG. WAGE AND SALARY	1,598.3	1,608.3	1,581.2	1,485.6	1,367.0	-0.6	+16.9
TOTAL MANUFACTURING	301.9	308.7	309.6	284.7	260.0	-2.2	+16.1
Durable Goods	216.2	221.1	222.3	201.6	177.2	-2.2	+22.0
Lumber & Wood Products	44.1	47.0	53.9	55.1	54.0	-6.2	-18.3
Furniture & Fixtures	3.1	3.3	3.3	3.2	3.0	-6.1	+3.3
Stone, Clay & Glass Prod	6.4	6.9	7.1	6.8	6.5	-7.2	-1.5
Ferrous Metals	3.5	3.7	4.2	3.7	3.3	-5.4	+6.1
Nonferrous Metals	12.6	13.0	13.2	12.7	11.4	-3.1	+10.5
Aluminum	10.5	11.0	11.3	10.9	9.7	-4.5	+8.2
Fabricated Metal Products	11.6	11.7	11.5	10.8	10.1	-0.9	+14.9
Machinery	25.7	26.2	25.1	21.7	19.4	-1.9	+32.5
Machinery exc. Electrical	15.1	15.0	15.1	13.5	12.3	+0.7	+22.8
Electrical Equipment	10.6	11.2	10.0	8.2	7.1	-5.4	+49.3
Transportation Equipment	97.8	98.3	93.6	79.8	62.7	-0.5	+56.0
Aerospace	79.1	79.6	72.6	59.8	46.1	-0.6	+71.6
Ship Building & Repair	13.5	12.6	14.3	13.2	10.4	+7.1	+29.8
Other Transp. Equipment	5.2	6.1	6.7	6.8	6.2	-14.8	-16.1
Other Durable Goods 2/	11.4	11.0	10.4	7.8	6.8	-3.6	+67.6
Nondurable Goods	85.7	87.6	87.3	83.1	82.8	-2.2	+3.5
Food & Kindred Products	31.3	32.0	32.9	32.8	31.6	-2.2	-0.9
Canned & Preserved Foods	11.2	11.3	11.5	11.6	11.2	-0.9	0
Apparel & Other Text. Prod.	5.4	6.5	7.2	7.4	7.4	-16.9	-27.0
Paper & Allied Products	17.1	17.6	15.9	14.0	17.6	-2.8	-2.8
Printing & Publishing	15.7	15.8	15.4	14.0	12.9	-0.6	+21.7
Chemical & Allied Products	9.1	8.7	8.6	7.9	7.3	+4.6	+24.7
Petroleum & Coal Products	2.2	2.1	2.1	2.1	2.0	+4.8	+10.0
Other Nondurable Goods 3/	4.9	4.9	5.2	4.9	4.0	0	+22.5
MINING & QUARRYING	3.1	3.2	3.0	2.8	2.3	-3.1	+34.8
CONTRACT CONSTRUCTION	88.7	92.6	104.4	92.7	77.6	-4.2	+14.3
TRANS., COMM., & UTILITIES	89.3	91.4	89.4	83.8	78.9	-2.3	+13.2
Railroad Transportation	9.1	9.9	10.6	10.5	10.4	-8.1	-12.5
Other Transportation	45.8	47.6	46.5	44.3	41.8	-3.8	+9.6
Communications & Utilities	34.4	33.9	32.3	29.0	26.7	+1.5	+28.8
TRADE	382.7	381.3	379.1	357.8	329.0	+0.4	+16.3
Wholesale Trade	101.1	100.5	102.2	95.5	89.1	+0.6	+13.5
Retail Trade	281.6	280.8	276.9	262.3	239.9	+0.3	+17.4
FIN., INS., & REAL ESTATE	91.4	91.8	89.4	83.3	75.0	-0.4	+21.9
SERVICE & MISCELLANEOUS	317.0	308.5	290.8	272.5	249.3	+2.8	+27.2
GOVERNMENT	324.2	330.8	315.5	308.0	294.9	-2.0	+9.9
Federal	66.5	67.9	64.7	63.6	61.9	-2.1	+7.4
State & Local	257.7	262.9	250.8	244.4	233.0	-2.0	+10.6
Education	140.8	145.5	139.3	135.0	127.1	-3.2	+10.8
(WORKERS IN LABOR-MANAGEMENT DISPUTES)	0.5	2.4	3.1	5.6	4.1	-79.1	-87.8

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes instruments and related products and miscellaneous manufacturing activities.

3/ Includes textile mill products, rubber and miscellaneous plastic products, and leather products.

TABLE 7

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN
WASHINGTON STATE
FISCAL YEAR AVERAGES, 1981 AND PROJECTED 1982 AND 1983 ^{1/}
(In Thousands)

	Annual Averages			Net Change	
	1983	1982	1981	1982	1981
				to 1983	to 1982
Resident Civilian Labor Force .	1,998.6	1,992.3	1,989.9	+6.3	+2.4
Total Employment	1,774.4	1,762.2	1,811.2	+12.2	-49.0
Total Unemployment	224.2	230.1	178.7	- 5.9	+51.4
Percent of Labor Force . .	11.2	11.5	9.0	xxx	xxx

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT IN
WASHINGTON STATE
PLACE OF WORK, ANNUAL AVERAGES, 1981 AND PROJECTED 1982 AND 1983
(In Thousands)

	Annual Averages			Net Change	
	1983	1982	1981	1982	1981
				to 1983	to 1982
Total	1,573.9	1,563.3	1,606.5	+10.6	-43.2
Total Manufacturing	292.7	290.7	304.8	+2.0	-14.1
Lumber and Wood Products .	43.0	41.0	45.0	+2.0	-4.0
Metals and Machinery . . .	55.1	52.6	53.8	+2.5	-1.2
Aerospace ^{2/}	68.1	73.1	80.1	-5.0	-7.0
Food Products	31.0	31.0	31.4	-0-	-0.4
Pulp & Paper Products . . .	16.1	16.2	17.4	-0.1	-1.2
Other Manufacturing	79.4	76.8	77.1	+2.6	-0.3
Construction	73.0	77.0	90.5	-4.0	-13.5
Transportation, Communications, and Utilities	89.8	88.5	90.0	+1.3	-1.5
Trade	388.3	380.3	382.5	+8.0	-2.2
Finance, Insurance, and Real Estate	92.9	91.6	91.7	+1.3	-0.1
Services ^{2/} & Miscellaneous .	329.2	323.2	318.8	+4.0	+4.4
Government	308.0	312.0	328.2	-4.0	-16.2

^{1/} Fiscal year beginning October 1 and ending September 30.

^{2/} A code change in January 1982 shifted approximately 4,500 workers from services to aerospace. To facilitate comparisons, this change is not incorporated in the table.

Economic Outlook, Fiscal Years 1982 and 1983*

Employment growth in Washington State came to a halt in Federal Fiscal Year (FFY) 1981, and FFY 1982 marks the most serious recession since prior to World War II. In sharp contrast to a job gain of 134,400 in FFY 1979, employment rose 40,900 in FFY 1980 and then declined 13,400 in FFY 1981. With data already available for the first half of FFY 1982, a job loss of around 49,000 is probable. The major factor accounting for the job losses in Washington State has been declining national demand in lumber, aerospace, metals and pulp-paper. Moreover, construction employment in the state has been sharply reduced because of high interest rates. In addition, state and local government payrolls have declined because of cutbacks in Federal programs administered on the state and local level and because the recession has reduced the growth in tax receipts.

In March 1982, nonagricultural wage and salary employment was down 54,000 from March 1981 and just 7,300 above March 1979. Between 1979 and 1981, job losses in Washington State were largely confined to lumber and construction. Since 1981, however, the recession has spread to nearly all industries. Lumber and construction remain the most severely depressed industries. Employment in lumber, the state's second largest manufacturing industry, was 39,800 in March 1982; 13,400, or 25 percent, below its March 1979 level. Construction payrolls at 74,200 in March 1982 were 22,200, or 23 percent lower than in March 1979. Unfortunately the decline in construction has not yet reached bottom. Work on one nuclear power plant was suspended in May 1982 for two to five years. Over 6,000 workers were employed on the project.

Nationally, economic recovery is anticipated beginning in July 1982 because of the income tax reduction scheduled to go into effect at that time. The tax cut will also help Washington State's economy, but a turnaround in this state is likely to lag recovery nationally. Homebuilding is expected to remain at a low level throughout 1982 because of high interest rates. Employment in lumber will remain depressed until there is a recovery in the national homebuilding industry. Aerospace, the state's largest source of manufacturing jobs, is expected to continue its downward trend until profitability returns to the airline industry. That will not occur before 1983 at the earliest. Construction employment in the state will likely decline in both 1982 and 1983 because of the suspension of work on one nuclear power project, the near-completion of another nuclear power plant, and a relatively low level of new home building. State and local government will also continue to trim its payrolls in 1982 because of low growth in tax revenues.

* Fiscal Year beginning October 1 and ending September 30.

Total employment in Washington State is likely to fall 49,000 from FFY 1981 to average 1,762,200 in FFY 1982. A loss of 43,200 is anticipated in nonagricultural wage and salary employment. Manufacturing payrolls may be down 14,100. Lumber, down 4,000, and aerospace, down 7,000, will account for most of the cutback. In the nonmanufacturing industries, government, down 16,200, and construction, down 13,500, will experience the largest reductions. Services, up 4,400, will show the only gain among major industry divisions.

Slight employment growth is forecast for FFY 1983 based on the assumption that recovery in the national economy is under way. The forecast for FFY 1983 shows a gain of 12,200 from FFY 1982. Nonfarm wage and salary employment is expected to move up 10,600. Growth in manufacturing is limited to 2,000 as gains are largely offset by a 5,000 drop in aerospace. In the nonmanufacturing industries, trade, up 8,000, and services, up 6,000, will lead the expansion. Growth is also expected to resume in transportation-communications-utilities and finance-insurance-real estate. Employment should advance 1,300 in both industries. Losses of 4,000 each, however, are anticipated in construction and government.

Lumber and Wood Products

Employment in lumber and wood products was severely depressed in FFY 1981, and no improvement was evident at the end of the first half of FFY 1982. Average employment for FFY 1982 is likely to be down 4,000 from the previous year. A modest gain of 2,000 is forecast for FFY 1983.

In March 1982, employment in the industry totaled 39,800 which was 25 percent below its March 1979 level. In addition to job losses, many of the workers who continued to be employed in the industry were working reduced workweeks. Others have voluntarily agreed to take substantial pay cuts in order to permit their employers to continue operations. Prices for dimension lumber and plywood were depressed. In the last week of April, the wholesale price of 2 X 4's was quoted at \$120-\$124/thousand board feet, down from \$180 one year before. The price of ½ inch plywood sheathing was quoted at \$162-\$163/thousand square feet, down from \$208 the year before.

Employment levels in the lumber industry are critical to the economic health of many counties in Washington State. In 11 of the state's 39 counties, it is the major source of manufacturing jobs. In a few, it is the only significant manufacturing activity. In these areas, current economic conditions can only be compared with the depression of the 1930's. In 14 other counties of the state, the lumber industry is a highly important job source.

The decline in homebuilding is the major factor accounting for the massive job losses in lumber. Over one-half of all lumber and plywood produced goes into new housing. In calendar year 1978, national housing starts totaled two million units, and employment in the lumber

industry averaged 55,100 in Washington State. In 1981, national housing starts averaged 1.1 million units, and employment in the state's lumber industry fell to an average of 44,100.

Factors affecting the level of national homebuilding are demographics and the price of homes including mortgage rates. Demographics are strong for an increase in housing starts. Members of the "baby boom" generation born between 1947 and 1957 are now 25 to 35 years of age--ages when people typically purchase homes. Unfortunately, most of these people have been priced out of the new home market. According to the Federal Home Loan Bank, the average price of a new home in March 1982 was \$99,600 and the average effective conventional mortgage rate was 17.49 percent. A 30 year mortgage for \$70,000 at 17.5 percent for 30 years would require a monthly payment of \$1,166.43. To qualify for this mortgage, a monthly income of \$3,888 would be required. The median monthly family income in 1980 was \$1,752.

Little recovery is in sight for the lumber industry over the forecast period, barring new Federal legislation making mortgage loans available at substantial reductions from today's rates. Interest rates are expected to decline, but they will likely remain high by historic standards in 1982 and 1983.

Metals and Machinery

Employment in metals and machinery fell 1,000 between FFY 1980 and 1981. The decline has continued into FFY 1982 with payrolls down 1,300 over the year at mid-March 1982. The forecast is for employment in the industry to fall 1,200 in FFY 1982 but to expand 2,500 in FFY 1983.

Approximately 400 of the drop in FFY 1981 was in ferrous metals, 300 in electrical equipment and 200 in aluminum. Nonelectrical machinery was down 100. At the end of the first half of FFY 1982, the total for the metals and machinery group was down 1,100, but electrical equipment was up 400 over the year due to the staffing of new plants. Aluminum, on the other hand, was cutting employment sharply with a 1,300 year-to-year drop and announcements of further layoffs. Nationally, aluminum plants were operating at only 66 percent of capacity in early May 1982. A spot price for aluminum was 49 cents per pound compared with an average cost of production of about 60 cents per pound. The difficulty aluminum producers are experiencing results from declining demand from the construction and automotive industries. These industries use 40 percent of all aluminum produced.

Recovery in the national economy will increase aluminum employment in Washington State, but aluminum plants will not increase production before they are sure that the demand for aluminum is definitely increasing because of the \$500,000 to \$750,000 cost of reopening a potline. The major increase in FFY 1983 is expected to occur as new electronics plants add staff. Nonelectrical machinery manufacturers should benefit from new tax incentives for manufacturers to modernize equipment.

Aerospace

The aerospace industry is once again contracting in Washington State because of the operating losses being experienced by major airlines and their inability to finance new purchases. Several cancellations of previously ordered jet airliners have occurred and delivery postponements have been requested. Airline profits are highly sensitive to general business conditions because business travel is the major portion of the air travel market, and travel expenses are one of the first areas business firms and government agencies try to reduce when profits or revenues fall.

Employment in aerospace is expected to fall 7,000 in FFY 1982, and an additional 5,000 in FFY 1983. Despite these losses, the long-term outlook for the industry in this state remains bright because of Boeing's new fuel-efficient aircraft.

Food Products

Employment in food and kindred products fell 700 in FFY 1981 and is expected to fall an additional 400 in FFY 1982. No change is anticipated in FFY 1983. The long-term trend affecting food products is the establishment of highly mechanized plants and the closure of less efficient ones. Further developments in the industry will include the manufacture of more convenience foods as the trend toward smaller family size and more single person households continues. How this will affect employment in the state's food products industry, however, is not clear.

It should be noted that employment comparisons in the industry can sometimes be misleading because of the volatile nature of employment. For example, if the peak of processing activity for a major crop occurred in the week including the twelfth of the month last year (the week for which the employment estimates are made) and misses that week this year, the year-to-year comparison would show a drop of several thousand. The comparison of annual averages would be less affected, but it would be influenced.

Pulp and Paper Products

Employment in pulp and paper products fell 100 in FFY 1981, but at the end of the first half of FFY 1982 it was down 1,200. A loss of 1,200 is also forecast for average annual employment for FFY 1982 followed by a drop of 100 in FFY 1983. Employment in the industry, however, will be expanding in the latter part of 1983, provided national business conditions are improving.

Trends in the industry closely follow business conditions in the nation because a large share of the paper industry's output is used to package manufactured products. Thus, recovery in the industry is dependent on economic recovery nationally. There is little likelihood of long-term growth for the industry in Washington State, however.

New productive capacity is now centered in the South where fast growing pine forests provide a less expensive raw material for producing paper than found in the Northwest.

Other Manufacturing

The largest industries in this group are shipbuilding-repair, printing-publishing, apparel, and chemicals. Others include stone-clay-glass products, other transportation equipment (rail cars, trucks, trailers, etc.), petroleum and coal products, and instruments.

The other manufacturing group displayed mixed trends in FFY 1981, but on balance, employment fell 2,100. A small loss of around 300 is anticipated in FFY 1982, followed by a gain of 2,600 in FFY 1983. In 1981, a gain of 500 occurred in other durable goods as employment in instruments expanded because of the staffing of new plants. Federal contracts added 300 each in chemicals and shipbuilding. On the negative side, apparel dropped 1,200, other transportation equipment (trucks, trailers, rail cars, etc.) was off 900 and a loss of 500 occurred in stone-clay-glass products.

In 1982, trends within the industry will remain mixed. Gains of 500 each are anticipated in other durable goods as instrument plants continue to add staff at new facilities. Shipbuilding should also add 500. The effects of the recession, however, are expected to result in additional losses in furniture, stone-clay-glass, other transportation equipment, and apparel. Provided interest rates fall and national economic conditions improve, we should see sharp increases in 1983. Major growth would occur in instruments as new facilities accelerate hiring with more confidence in the outlook for their investments. A sharp increase is likely for trucks and trailers also, as transportation activities expand in response to a higher level of industrial activity. The state apparel industry should also begin to expand and regain some of the sharp losses of the past two years.

Contract Construction

Construction employment fell 5,800 between FFY 1980 and 1981, and is likely to fall an additional 13,500 in FFY 1982 and 4,000 more in FFY 1983. The decline in construction payrolls in FFY 1981 mainly resulted from high interest rates which drastically reduced home-building as well as commercial construction. The following data show the inverse relationship between housing units authorized and interest rates that has existed over the past few years in Washington State.

	<u>Housing Units Authorized</u>	<u>New Home Mortgage Rate (%)</u>
1978	61,200	9.8
1979	50,700	11.2
1980	32,200	13.0
1981	24,300	15.2

Interest rates are expected to decline only slowly over the forecast period, which will encourage only limited expansion in construction. Home building will also be adversely affected by out migration. Net migration for Washington State is expected to be negative in 1982 for the first time since 1973. In contrast to net migration of nearly 120,000 in 1980 and 60,000 in 1981, a projected 1,000 more individuals will leave the state in 1982 than will enter the state. In 1983 net migration is projected at -13,000.

Nuclear power plant construction will be declining over the forecast period. The mothballing of one plant on the Hanford Reservation in May 1982 for a period of two to five years resulted in construction payrolls on that project falling from approximately 6,300 at the beginning of May 1982 to 2,100 at the end of the month. Employment on the project is scheduled to fall to 1,000 by the end of August 1982 and to 300 by May 1983. At the same time employment on a second nuclear plant on the Hanford Reservation will be nearing completion. Employment on that project will fall from about 3,000 in March 1982 to 1,000 by September 1983. Employment at the nuclear power plant in Grays Harbor County is expected to remain relatively stable until the end of the third quarter of FFY 1983 (June 1983). Employment on the project will then decline as it nears completion.

Transportation, Communications and Utilities

Employment in this group fell 1,400 in FFY 1981 and is expected to fall an additional 1,500 in FFY 1982. A gain of 1,300 is forecast for FFY 1983 based on an assumed upturn in economic conditions. The great majority of employment in transportation involves the movement of either raw materials or finished goods. The decline in 1981 and 1982, of course, resulted directly from a reduction in manufacturing activity. Communications and utilities employment is expected to remain fairly stable over the forecast period. Employment in this segment was up over the year in March 1982, but cutbacks by one employer are expected to offset minor gains by other employers.

Trade and Services

Trade employment rose 300 between FFY 1980 and 1981, while payrolls in the services group added 6,800. As recently as FFY 1979, trade advanced nearly 22,000 while services employment was up over 19,000. The recession and a slowdown in immigration, however, has reduced growth in these industries significantly. In FFY 1982, trade employment is expected to show a loss of 2,200 and the over-the-year gain in service payrolls will be limited to 4,400. Tax cuts, increases in social security benefits and economic recovery, however, should boost trade employment by 8,000 in FFY 1983, while the job total in services advances by 6,000.

The major weakness in trade at the end of the first half of FFY 1982 was in durable goods. Employment was lower at building material stores, department stores, automobile dealers, and furniture stores.

Employment continued to show year-to-year growth at food and apparel stores. The job total at eating and drinking places was nearly unchanged over the year. Growth had been rapid at restaurants, especially fast food outlets, in recent years.

Durable goods, of course, includes big ticket items which are often purchased on credit. High interest rates have boosted the monthly payments required, which has reduced demand. High interest rates have also reduced demand from cash customers since they must forego interest to the extent of their purchases. The cash purchase of a \$8,500 automobile, for example, requires the buyer to give up approximately \$100 per month in interest. Trade employment has also been reduced by the decline in purchasing power from individuals laid off in the goods-producing industries and by the drop in migration to this state.

The 10 percent income tax reduction and 7.4 percent boost to social security recipients in July 1982 will provide a substantial gain in purchasing power. Lower interest rates and renewed growth in the goods-producing industries will be required to sustain growth in trade in FFY 1983, however.

Medical services was the only service industry showing any appreciable growth at the end of the first half of FFY 1982. Employment in business services was lower as were payrolls at hotels-motels. The downturn in the latter was likely due to less business and government travel. Travel is one of the first cost cutting items for business during recessions. Government employee travel is also an important segment of the hotel-motel trade, and funds for government travel were cut sharply in FFY 1982.

As in the trade industry, the tax cut and increase in social security payments will provide a boost in July 1982. Growth will not continue, however, without a resumption of growth in the state's goods-producing industries.

Finance, Insurance and Real Estate

Finance, insurance, and real estate employment rose 600 between FFY 1980 and 1981, but as in the case of the trade and service industries, growth in this industry has declined sharply because of the recession. Employment in the group is expected to drop 100 in FFY 1982 before resuming its growth with a gain of 1,300 in FFY 1983.

At the end of the first half of FFY 1982, finance-insurance-real estate employment was down 400 over the year. The entire loss occurred in real estate where housing sales remained extremely depressed because of high interest rates. As mentioned earlier, most American families are now priced out of the new home market, and this will not change until interest rates fall significantly. The lack of home sales, of course, also negatively affects finance and insurance business and employment as well. Thrift institutions are in particularly bad financial shape. In many cases, the average cost of their funds is greater than their return on home loans because of loans made at relatively low rates in earlier years. Many mergers are likely

among thrifts, which implies lower employment. The key to a resumption of growth in this industry, as well as for the entire economy, is a substantial lowering of interest rates.

Government

Annual average employment in government remained relatively stable between FFY 1980 and 1981. At the end of FFY 1981, however, it was down 12,900 over the year and the comparison continued to deteriorate during the first half of FFY 1982. A loss of 16,200 public jobs is anticipated in 1982 followed by a drop of 4,000 in FFY 1983.

The losses which have and will occur are mainly in state and local government. They result from cutbacks in Federal funding for programs administered by state and local agencies and a decline in the growth of tax revenue, especially sales taxes which are highly sensitive to general business conditions. Public school employment will also fall over the forecast period because of declining enrollments. The population of individuals aged 6 to 18 is expected to fall from 846,600 in 1981 to 829,100 in 1982 and to 813,200 in 1983.

EMPLOYMENT DEVELOPMENTS AND OCCUPATIONAL OUTLOOK

Between October 1, 1981 and March 31, 1982, a total of 53,642 individuals were listed in the active application files of the Washington State Employment Security Department (Table 8). Of these, 23,641 were females and 8,982 were minorities. Nearly half of the applicants were in the clerical, sales, and services occupations.

Occupational employment demand can be measured in part by counts of total unfilled job openings registered through the Employment Security Department. At the end of April 1982 there were 7,893 reported unfilled openings. Of those, 6,282 (80 percent) were unfilled for 30 days or more. The ratio of applicants to unfilled jobs was 6.8.

During 1980 the Employment Security Department began the first of a series of long-term occupational projections from 1979 to 1987 using Occupational Employment Statistics (OES) data. Under the OES program industries are surveyed over a three-year period. In this statewide survey, manufacturing, hospitals and federal government were completed. During the next two years the remaining industry sectors will be covered.

The 1980 manufacturing and hospital survey sampled 90 percent of covered employment in those industries. The Federal government estimates were compiled from data furnished by the Bureau of Labor Statistics.

The occupational estimates refer to only covered nonagricultural wage and salary employment. Self employed and unpaid family workers are not accounted for in the data. Annual average job opening data include openings due to labor force separations because of death, retirement, or other reasons. Replacement demand that results when workers change occupations is not covered.

Table 9 shows 1979 average employment and 1983 projected employment by occupational categories in manufacturing industries, hospitals, and Federal government. Estimated job openings for 1983 are also shown.

The greatest demand in terms of numbers will be in the "operative" occupations which is the largest classification in this survey. These are semi-skilled and unskilled occupations found in many industries. Professional and technical occupations will experience the second greatest demand, followed by craft workers, supervisors, and clerical workers.

TABLE 8

SELECTED OCCUPATIONS OF APPLICANTS AND JOB OPENINGS LISTED WITH
THE WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT
March 31, 1982

	Total	Female	Veterans	Age		Minority	Total Unfilled Openings	Unfilled 30 days or More	Ratio of Applicants to Unfilled Openings
				Under 22	45 + Older				
Total	53,642	23,641	16,777	5,992	7,033	8,982	7,893	6,292	6.8
Professional, Technical & Managerial	5,488	2,148	2,230	154	1,040	852	1,506	1,306	3.6
Architecture and Engineering	330	28	189	10	65	41	241	218	1.4
Mathematics and Physics	63	18	20	0	2	6	28	25	2.3
Life Sciences	238	90	99	2	45	53	18	16	13.2
Medicine and Health	312	251	62	16	49	41	151	128	2.1
Education	224	123	52	1	36	33	23	20	9.7
Writing and Art	12	6	4	2	2	1	6	6	2.0
Administrative Specializations	579	223	289	6	151	67	119	108	4.9
Managers and Officials	339	98	172	14	67	37	34	28	10.0
Misc. Professional-Tech., Managerial	131	75	41	1	23	33	11	5	11.9
Clerical and Sales	12,057	9,285	1,982	1,286	1,545	2,081	2,513	2,083	4.8
Steno, Typing, Filing	3,304	3,046	361	345	417	672	554	450	6.0
Computing and Account Recording	2,723	2,375	319	263	422	405	380	312	7.2
Material and Production Recording	153	44	80	16	13	22	19	12	8.1
Information and Message Distribution	666	623	48	89	79	139	140	109	4.8
Miscellaneous Clerical	282	243	32	24	29	94	40	34	7.1
Salespersons Service	78	31	29	2	23	8	58	46	1.3
Salespersons Commodities	632	252	183	77	89	63	176	156	3.6
Merchandising	577	425	104	112	65	66	261	217	2.6
Service Occupations	11,453	7,747	1,904	1,859	1,492	2,338	1,861	1,444	6.2
Domestic	343	630	26	45	145	176	47	40	13.7
Food and Beverage	3,966	2,266	696	830	415	505	734	584	6.8
Lodging	302	273	12	49	53	81	49	36	6.2
Barbering and Cosmetology	169	144	20	13	13	29	36	31	4.7
Miscellaneous Personal	1,141	1,027	101	138	109	310	84	62	13.6
Apparel and Furnishings	56	45	7	4	10	15	9	7	6.2
Protective	376	51	261	34	57	61	92	41	4.1
Building and Related Service	710	170	197	117	101	196	61	48	11.6
Agricultural, Fishery, Forestry	2,222	326	690	354	353	504	224	154	19.9
Plant Farming	192	39	57	27	28	51	6	5	32.0
Forestry	79	15	22	18	4	10	7	7	11.3
Processing	1,052	448	255	106	142	224	248	120	4.2
Metal	33	4	9	3	2	15	1	1	33.0
Ore Refining and Foundry	20	2	9	2	1	3	0	0	0
Food and Tobacco	403	255	50	45	66	94	149	49	2.7
Chemicals, Rubber, and Paper	16	9	9	0	2	4	4	4	4.0

TABLE 8 (Continued)

SELECTED OCCUPATIONS OF APPLICANTS AND JOB OPENINGS LISTED WITH
THE WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT
March 31, 1982

	Total	Female	Veterans	Age		Minority	Total Unfilled Openings	Unfilled 30 days or More	Ratio of Applicants to Unfilled Openings
				Under 22	45 + Older				
Machine Trade	3,753	316	2,067	247	476	378	341	252	11.0
Metal Machining	329	24	184	13	43	25	25	24	13.2
Metal Working	24	2	14	1	5	2	2	2	12.0
Mechanics and Repairmen	1,333	38	862	86	181	109	124	94	10.8
Wood Machining	57	4	25	3	8	5	10	5	5.7
Bench Work	1,409	683	384	95	162	317	253	199	5.6
Assembly, Scientific	19	6	8	0	5	4	6	4	3.2
Assembly, Electric	213	108	62	13	18	42	42	37	5.1
Painting and Decorating	63	7	31	5	6	9	4	4	15.8
Assembly, Textile	194	166	19	11	30	89	65	59	3.0
Structural Work	6,746	309	3,577	491	805	791	467	358	14.4
Metal Fabricating	356	28	188	21	36	49	43	32	8.3
Welders, Flame Throwers	364	10	220	14	36	46	9	5	40.4
Electrical	377	17	292	9	45	35	46	34	8.2
Painting and Plastering	299	16	124	18	43	39	26	15	11.5
Excavating and Grading	338	3	217	10	63	23	6	5	56.3
Construction, NEC	1,972	51	945	158	189	191	90	76	21.9
Structural Work, NEC	394	8	235	33	105	42	36	21	10.9
Miscellaneous	6,585	829	3,091	756	776	917	448	348	14.7
Motor Freight	1,465	68	863	53	214	133	34	28	43.1
Transportation, NEC	433	101	151	100	40	69	106	85	4.1
Packaging	1,649	332	562	320	143	257	112	73	14.7
Utilities	51	2	42	1	8	5	6	4	8.5
Uncoded	215	96	67	18	25	56	32	28	- -
New Unskilled Entrants	2,662	1,474	530	626	217	524	0	0	- -

TABLE 9

EMPLOYMENT AND JOB OPENINGS IN
MANUFACTURING INDUSTRIES, HOSPITALS, AND FEDERAL GOVERNMENT
BY MAJOR OCCUPATIONAL CATEGORIES
1979 AND ESTIMATED 1983

	EMPLOYMENT				AVERAGE ANNUAL JOB OPENINGS		
	1979		Estimated 1983		Estimated 1983		
	<u>Employment</u>	<u>Percent</u>	<u>Employment</u>	<u>Percent</u>	<u>Total Job Openings</u>	<u>Percent of Total</u>	<u>Percent of Employment</u>
Total All Occupations	417,350	100.00	446,750	100.00	19,985	100.00	4.47
Professional and Technical	76,770	18.40	83,410	18.67	3,676	18.39	4.41
Managers and Officers	35,810	8.58	38,600	8.64	2,048	10.25	5.31
Sales Workers	6,140	1.47	6,680	1.50	357	1.79	5.34
Clerical Workers	60,300	14.45	64,410	14.42	3,104	15.53	4.82
Craft Workers and Supervisors	73,440	17.60	77,900	17.44	3,211	16.07	4.12
Operatives	111,740	26.77	119,750	26.80	5,054	25.29	4.22
Service Workers	21,340	5.11	23,160	5.18	1,488	7.45	6.42
Laborers Except Farm	31,680	7.59	32,700	7.32	1,042	5.21	3.19
Farm Workers	130	0.03	140	0.03	5	0.02	3.57

Source: Occupational Projections 1979-1987 for Manufacturing, Hospitals, Federal Government, Washington State.
1983 estimates are an interpolation between 1980 and 1987 projections.

UNEMPLOYMENT DEVELOPMENTS AND OUTLOOK

Trends in Unemployment

Washington State's unemployment rate in early 1982 had soared to its highest level since World War II because of the national recession. While nearly all states were experiencing high unemployment, Washington State's preliminary June 1982 rate was the third highest in the nation. Exceptionally high interest rates have severely depressed the state's lumber and aerospace industries, Washington's two largest manufacturing sectors. Construction employment has declined substantially throughout the nation in the current recession, but the downturn in Washington State has been more severe because of the termination of work on two nuclear power plants and a temporary suspension of work on a third nuclear power plant. High interest rates were a major factor in the failure to complete these projects. Adding to the increased unemployment, state and local government payrolls have dropped sharply because of cutbacks in Federal programs administered on the state and local level and because the recession has reduced the growth in tax receipts.

TABLE 10

ANNUAL AVERAGE TOTAL UNEMPLOYMENT RATES IN WASHINGTON STATE AND THE UNITED STATES 1970 - 1981

<u>Year</u>	<u>Washington State</u>	<u>United States</u>
1981	9.5	7.6
1980	7.9	7.1
1979	6.8	5.8
1978	6.8	6.1
1977	8.8	7.1
1976	8.7	7.7
1975	9.6	8.5
1974	7.1	5.6
1973	7.9	4.9
1972	9.5	5.6
1971	10.1	5.9
1970	9.2	4.9

While economic conditions have declined throughout the state, the hardest hit areas are counties in which lumber is the primary source of manufacturing jobs. In many of these areas there is little alternative employment. Trade and service activities in these areas have not only been affected by a reduction in lumber employment but by reduced earnings among those still employed in the industry. Many are working less than full-time and/or have agreed to substantial pay cuts in order to continue working. In these counties, current conditions can only be compared to those during the depression of the 1930's.

The following table contains 1978 and 1981 unemployment rates for the state and selected counties in which lumber is the principle manufacturing activity. The last normal year for the lumber industry was 1978.

TABLE 11
UNEMPLOYMENT RATES,
WASHINGTON STATE AND SELECTED LUMBER COUNTIES
1978 AND 1981

	<u>1981</u>	<u>1978</u>
Washington State	9.5	6.8
Clallam	18.2	9.4
Cowlitz	12.9	9.0
Ferry	14.7	10.0
Grays Harbor	13.9	11.2
Okanogan	16.5	13.1
Pacific	15.1	8.5
Pend Oreille	18.7	12.1
Skamania	18.4	9.5
Stevens	15.0	9.5
Wahkiakum	13.2	7.1

Unfortunately the outlook for recovery in Washington State is not promising over the next two years. While the tax cut and increased payments to Social Security recipients in July 1982 will provide a boost to the trade and service industries, interest rates are expected to remain high by historic standards which will prevent any substantial improvement in the state's lumber, aerospace and construction industries. In addition, low growth in tax receipts and declining public school enrollments will mean further cutbacks in state and local government payrolls.

On a Federal Fiscal Year (FFY) basis, total unemployment in Washington State is expected to increase from 178,700 and 9.0 percent in FFY 1981 to 230,100 and 11.5 percent in FFY 1982. In FFY 1983 unemployment is expected to decrease to 224,200 and 11.2 percent. The slight drop will likely occur only because of outmigration and because more workers will choose to withdraw from the labor force in the face of the stiff competition for jobs.

Characteristics of the Unemployed

For Federal Fiscal Year 1983 the projected number of unemployed in Washington State is 224,200. As shown in Table 12, this is expected to include the following:

	Total <u>Unemployed</u>	Unemployment <u>Rate</u>
White Males	112,000	10.7
White Females	82,400	10.3
Nonwhite Males	20,300	22.5
Nonwhite Females	9,500	14.7

The age group with the highest unemployment rate for both Whites and Nonwhites will be 25-34, followed by 22-24. The degree of hardship suffered by the unemployed varies considerably. Some are without suitable employment for a few weeks, while others may be jobless for months, depending upon economic conditions. Also, many residents become unemployed each year because they are employed in seasonal industries, e.g., logging or construction.

The total number of beneficiaries drawing unemployment compensation during 1981 increased 7,871, or 3.8 percent, from 1980 (Table 13). Jobs remained hard to find through 1981 as reflected in the average number of payments per beneficiary. In addition, 30.3 percent more claimants (up 13,268) exhausted their benefit entitlements in 1981 than in 1980. In 1981, 26.8 percent of new beneficiaries drew their entire entitlement while in 1980, 21.3 percent exhausted their benefits.

As indicated on Table 14 the number of unemployed that were receiving unemployment compensation increased 41.9 percent (29,641) to total 100,397 between May 1981 and May 1982. The percentage increase was about the same among women as it was among men during this period.

The debilitating effects of high interest rates on the construction industry are indicated by the fact that structural workers were the largest occupational group of workers receiving unemployment insurance in May 1981 and May 1982 (Table 15). The paper products industry recorded the largest percentage increase in beneficiary count. All occupations and industries listed recorded an increase in the claimant level from 1981 to 1982.

TABLE 12

TOTAL UNEMPLOYMENT AND UNEMPLOYMENT RATES BY AGE, SEX, AND RACE,
WASHINGTON STATE, FY 1970 AND 1983

		TOTAL UNEMPLOYMENT						UNEMPLOYMENT RATES					
		Total		White		Nonwhite		Total		White		Nonwhite	
		1970	1983	1970	1983	1970	1983	1970	1983	1970	1983	1970	1983
BOTH SEXES													
Total.....		129,999	224,200	122,768	194,400	7,230	29,800	9.2	11.2	9.0	10.5	13.0	19.2
16 - 19.....		22,348	36,800	21,237	32,400	1,111	4,400	20.2	26.0	20.0	25.1	25.3	35.1
20 - 24.....		25,200	48,000	24,032	41,300	1,167	6,700	14.1	18.5	14.0	17.8	15.6	25.2
25 - 34.....		23,838	71,100	22,250	61,400	1,588	9,700	8.0	11.7	7.8	11.1	12.2	19.0
35 - 44.....		17,815	32,300	16,479	27,200	1,336	5,100	6.3	7.1	6.1	6.5	11.0	15.5
45 - 64.....		34,744	32,800	33,070	29,400	1,674	3,400	7.0	6.6	6.9	6.4	10.0	11.5
65 and Over...		6,054	3,200	5,700	2,700	354	500	12.0	6.2	11.8	5.4	17.8	18.9
MALE													
Total.....		77,054	132,300	72,411	112,000	4,643	20,300	8.6	11.6	8.4	10.7	14.0	22.5
16 - 19.....		12,463	18,700	11,814	16,500	649	2,200	20.0	25.4	19.7	24.7	25.1	32.4
20 - 24.....		14,892	29,500	14,202	25,200	690	4,300	15.5	21.8	15.3	20.9	18.3	27.8
25 - 34.....		14,165	42,800	13,209	35,400	956	7,400	7.0	12.4	6.8	11.2	12.5	24.2
35 - 44.....		9,641	18,500	8,831	14,900	810	3,600	5.3	7.2	5.0	6.3	11.8	18.6
45 - 64.....		21,697	20,600	20,468	18,300	1,229	2,300	6.8	7.0	6.7	6.6	11.4	14.4
65 and Over...		4,196	2,200	3,887	1,700	309	500	12.9	6.9	12.5	5.8	21.9	24.6
FEMALE													
Total.....		52,945	91,900	50,357	82,400	2,588	9,500	10.2	10.6	10.1	10.3	11.4	14.7
16 - 19.....		9,886	18,100	9,424	15,900	462	2,200	20.6	26.6	20.4	25.5	25.6	38.1
20 - 24.....		10,307	18,500	9,830	16,100	477	2,400	12.5	15.0	12.5	14.3	12.8	21.6
25 - 34.....		9,673	28,300	9,040	25,000	633	2,300	10.0	10.9	9.9	10.9	11.8	11.2
35 - 44.....		8,175	13,800	7,648	12,300	527	1,500	9.2	7.0	8.1	6.7	10.0	11.2
45 - 64.....		13,047	12,200	12,602	11,100	445	1,100	7.4	6.1	7.4	6.0	7.4	8.1
65 and Over...		1,857	1,000	1,813	1,000	44	---	10.5	5.0	10.6	4.9	7.6	---

TABLE 13
BENEFICIARIES RECEIVING UNEMPLOYMENT INSURANCE*
IN WASHINGTON STATE
CALENDAR YEAR 1980, 1981, AND PERCENT CHANGE

	<u>1981</u>	<u>1980</u>	<u>Percent Change</u> <u>1980-1981</u>
New Beneficiaries	212,921	205,050	3.8
Average Number of Payments per Beneficiary	14.62	14.60	0.1
Exhaustions	57,005	43,737	30.3
Average Weekly Benefit Amount			
January	115.92	\$107.16	8.2
Year Low	115.47	107.16	7.8
December	126.67	115.95	9.2
Maximum Weekly Benefit Amount			
Jan.-June	150.00	\$137.00	9.5
July-Dec.	163.00	150.00	8.7

* Coverage under the Washington Employment Security Act represents about 92 percent of all nonagricultural wage and salary workers. Those not covered are temporary agricultural labor, railroad employees, some domestic service workers in private homes, unpaid family workers and the self-employed.

TABLE 14

CHARACTERISTICS OF THE INSURED UNEMPLOYED IN WASHINGTON STATE
MAY 1981, MAY 1982, AND PERCENT CHANGE

Characteristics	<u>May 1982</u>		<u>May 1981</u>		<u>May 1981 to May 1982</u>
	<u>Number</u>	<u>Percent Distribution</u>	<u>Number</u>	<u>Percent Distribution</u>	<u>Percent Change</u>
Total Claimants	100,397	100.0	70,756	100.0	41.9
<u>Sex of Claimant</u>					
Male	68,382	68.1	47,592	67.3	43.7
Female	32,015	31.9	23,164	32.7	38.2
<u>Age of Claimant</u>					
Under 25	18,291	18.2	13,749	19.4	33.0
25-34	38,860	38.7	26,866	38.0	44.6
35-44	21,319	21.2	13,215	18.7	61.3
45-54	12,202	12.2	8,450	11.9	44.4
55-64	8,452	8.4	6,443	9.1	31.2
65 and Over	1,273	1.3	2,033	2.9	-37.4
<u>Duration of Claims</u>					
1-2 Weeks	19,997	19.9	12,820	18.1	56.0
3-4 Weeks	11,599	11.6	8,659	12.2	34.0
5-14 Weeks	36,355	36.2	27,168	38.4	33.8
15 Weeks and Over	32,446	32.3	22,109	31.3	46.8

TABLE 15

PREVIOUS EMPLOYMENT OF THE INSURED UNEMPLOYED
IN WASHINGTON STATE
MAY 1981, MAY 1982, AND PERCENT CHANGE

	<u>May, 1982</u>		<u>May, 1981</u>		<u>Percent Change in Claimant Level From May 1981 to May 1982</u>
	<u>Number</u>	<u>Percent Distribution</u>	<u>Number</u>	<u>Percent Distribution</u>	
Total Claimants	100,397	100.0	70,756	100.0	41.9
<u>Occupation of Previous Employment</u>					
Professional, Tech., Managerial	10,363	10.3	7,200	10.2	43.9
Clerical and Sales	17,653	17.6	11,712	16.6	50.7
Services	8,502	8.5	6,201	8.8	37.1
Farm, Fishing, Forestry	3,987	4.0	3,099	4.4	28.6
Processing	4,844	4.8	4,166	5.9	16.3
Machine Trades	9,665	9.6	5,962	8.4	62.1
Bench Work	3,325	3.3	2,302	3.2	44.4
Structural Work	24,719	24.6	16,589	23.4	49.0
Miscellaneous Work	16,432	16.4	12,710	18.0	29.3
Occupation Not Designated	907	0.9	815	1.1	11.3
<u>Industry of Last Employment</u>					
Lumber and Wood Products	7,970	7.9	5,455	7.7	46.1
Paper Products	1,715	1.7	785	1.1	118.5
Food and Kindred Products	4,007	4.0	3,842	5.4	4.3
Metals and Machinery	5,602	5.6	3,112	4.4	80.0
Transportation Equipment	6,104	6.1	3,325	4.7	83.6
Other Manufacturing	4,238	4.2	3,166	4.5	33.9
Construction	20,288	20.2	13,404	18.9	51.4
Trans., Comm., Utilities	4,400	4.4	3,932	5.6	11.9
Wholesale and Retail Trade	22,416	22.3	15,977	22.6	40.3
Finance, Insurance, Real Estate	3,315	3.3	2,123	3.0	56.1
Services	14,034	14.0	10,218	14.4	37.3
Other Nonmanufacturing	6,308	6.3	5,417	7.7	16.4

INCOME CHARACTERISTICS

In 1981 the per capita income of Washington State was \$10,355. Table 16 compares the per capita income of the state's major SMSAs with that of the state as a whole. The Seattle-Everett SMSA was the only SMSA in 1981 with a higher per capita income than the state average.

Table 17 compares the 1981 and 1982 wages for selected occupations in five major cities in Washington State. The City of Seattle had the highest wages in all but three of the occupations listed.

Table 18 shows the average monthly employment and wages in selected industries in Washington State in 1980. Workers in the aerospace industry received the highest average monthly wage--\$2,105. Three other industries had an average monthly wage of at least \$2,000. Workers in the agriculture, forestry and fishing industries had the lowest average monthly wage--\$780. Retail trade workers were a close second at \$785.

TABLE 16

PER CAPITA INCOME
WASHINGTON STATE AND
SELECTED STANDARD METROPOLITAN STATISTICAL AREAS
1981

Washington State	\$10,355
Richland-Kennewick-Pasco SMSA	10,300
Seattle-Everett SMSA	11,882
Spokane SMSA	8,994
Tacoma SMSA	9,305
Yakima SMSA	8,743

Source: Department of Revenue

TABLE 17

AVERAGE WAGE RATES IN SELECTED OCCUPATIONS IN MAJOR
LABOR MARKETS OF WASHINGTON STATE

<u>Occupation</u>	<u>Seattle</u> <u>Dec. 1981</u>	<u>Tacoma</u> <u>Apr. 1981</u>	<u>Spokane</u> <u>Sept. 1981</u>	<u>Tri-Cities</u> <u>Mar. 1982</u>	<u>Vancouver</u> <u>Portland</u> <u>June 1981</u>
Accounting Clerk	\$1,156 mo.	\$1,003 mo.	\$1,028 mo.	\$1,149 mo.	\$1,028 mo.
Bookkeeper	1,332	1,230	1,295	1,361	N/A
Key Entry Operator	1,101	902	1,069	1,212	978
Switchboard Operator	1,069	1,017	N/A	1,014	975
Secretary	1,553	1,204	1,335	1,480	1,277
Electronics Technician	<u>1/</u> \$ 8.34 hr.	\$ 9.85 hr	\$ 9.70 hr.	\$12.31 hr.	\$11.04 hr.
Maintenance Mechanic	12.18	11.06	11.70	11.22	11.63
Truck Driver	12.49	12.00	11.82	9.96	11.12
Fork Lift Operator	11.22	10.19	9.83-	7.79	9.89
Janitor	6.72	5.78	4.96	7.19	6.11

N/A - Data Not Available.

1/ For manufacturing industries only.

SOURCE: Employment Security Department, Wage Analysis Unit (7/82).

TABLE 18

AVERAGE MONTHLY
COVERED EMPLOYMENT AND WAGES
WASHINGTON STATE, 1980

	<u>Average Monthly Employment</u>	<u>Average Monthly Wage Per Worker</u>
Total	1,601,219	\$1,304
Manufacturing	308,850	1,740
Food and Kindred Products	31,952	1,371
Textiles & Textile Products	7,560	956
Lumber & Wood Products	47,013	1,663
Paper & Allied Products	17,567	2,040
Printing & Publishing	15,818	1,262
Chemicals & Allied Products	8,799	1,868
Primary Metal Industries	16,666	2,045
Fabricated Metal Products	11,792	1,700
Machinery (Except Electrical)	15,030	1,656
Electric & Electronic Equipment	11,196	1,405
Transportation Equipment	98,355	2,059
Aerospace	79,670	2,105
Other Manufacturing	27,192	1,431
Agriculture, Forestry & Fishing	38,607	780
Mining and Quarrying	2,553	1,757
Construction	93,189	1,773
Trans., Comm., & Utilities	81,466	1,706
Wholesale Trade	100,586	1,568
Retail Trade	280,802	785
Finance, Ins., & Real Estate	90,493	1,221
Services	295,086	1,027
Government	308,975	1,354
Not Elsewhere Classified	612	2,217

APPENDIX 1: CETA PRIME SPONSOR DATA

Estimate of Needs for Employment Services

The types of services required by job applicants vary dramatically between individuals. Those who are established in the labor market and have considerable work experience and appropriate training usually need only referral to a job. Other individuals may lack suitable employment because of age, race, minority group status, lack of education, or a physical or mental handicap. These persons frequently require counseling, skill training, basic education, and medical services as well.

An estimated 340,450 residents of the state age 14 and over will have incomes below the poverty levels established by the Office of Management and Budget (Table 19). About 78,700 of those are over age 55. Many are elderly or have serious health problems which preclude employment while others, with appropriate assistance, can raise their income above the poverty level.

The estimated number of persons potentially eligible for CETA programs in FFY 1983 is 369,100 (Table 19). This is projected from the March 1980 Current Population Survey (CPS) which estimated the CETA eligible population at 335,000 persons. The method used in developing the 1983 estimate and demographic composition is described in the next section.

Approximately 60,600 individuals age 55 and over are estimated to be eligible for CETA. Approximately 224,760 individuals, or 61 percent of the CETA eligible population, are women. Minorities number approximately 89,300, or 24.2 percent.

TABLE 19

BASIC PLANNING TABLE
WASHINGTON STATE, FISCAL YEAR 1983

		Total Population Planning Year 1983	Estimated number of persons Potentially eligible for CETA Programs	Estimated number of persons unemployed for 15 weeks or more	Estimated number of persons 14 and over whose family income is less than OMB poverty guidelines	Number of persons receiving AFDC or State General Assistance
Total, for Area:		4,290,600	369,100	159,410	340,450	62,150
DEMOGRAPHIC GROUPS						
Sex	Male	2,133,700	144,340	91,070	122,690	11,776
	Female	2,156,900	224,760	68,340	217,760	50,374
Age	19 and Under	1,286,200	109,080	21,630	66,020	14,223
	20 - 21	150,100	39,660	14,860	25,570	5,536
	22 - 44	1,603,400	134,420	107,510	147,350	37,319
	45 - 54	395,200	25,340	10,480	22,790	3,378
	55 and Over	855,700	60,600	4,930	78,720	1,694
Race/ Ethnic Group	White (not including Hispanic)	3,851,700	279,790	117,690	258,800	47,740
	Black (not including Hispanic)	113,100	28,690	14,700	25,950	6,866
	Hispanic*	129,100	29,100	11,360	26,780	2,329
	American Indian or Alaskan Native	54,500	11,940	5,170	10,970	2,627
	Asian or Pacific Islander	110,300	19,580	10,490	17,950	2,110
	Other	31,900				478

*Hispanic is used to designate the people of Spanish Origin who may be of any race. In this table the Hispanics are shown as a separate group and are not included in the race groups. As a result, the total minority population for 1983 can be estimated by adding the Hispanic population to the population of all race groups, other than White.

TABLE 20

DEMOGRAPHIC CHARACTERISTICS
OF PERSONS ELIGIBLE FOR CETA PROGRAMS
TITLE II-B AND TITLE VII
WASHINGTON STATE

Demographic Groups		Estimated Percent of Persons Eligible for CETA Programs	
		C.P.S. Statewide	ESARS Statewide
Sex	Male	40.6	56.3
	Female	59.4	43.7
Age	19 and Under	19.6	14.1
	20 - 21	7.0	9.5
	22 - 44	45.0	66.9
	45 - 54	8.1	6.5
	55 and Over	20.3	3.0
Race/Ethnic Group			
	White (Not Hispanic)	83.8	75.0
	Black (Not Hispanic)	5.2	8.3
	Hispanic	4.1	7.8
	American Indian or Alaskan Native	(6.9)	3.3
	Asian or Pacific Islander . . .		5.6
Veterans Status			
	Vietnam Era	---	9.1
	Other Veterans	---	12.2
	Non Veterans	---	78.7
Family Status			
	Parent in 2 Parent Family . . .	19.6	---
	Single Parent	26.2	---
	Other Family Member	32.1	---
	Non Dependant Individual	22.1	---

The general program eligibility requirements and the sources of the indicated percentage distributions are as follows:

Title II-B and Title VII: a person shall be (1) economically disadvantaged; and (2) unemployed, underemployed, or in school. ESARS percentages for Title II-B and VII represent the distribution of economically disadvantaged applicants from the state tabulations of the Employment Security Automated Reporting System. C.P.S. percentages are based on the Current Population Survey state distribution of persons eligible for Title II-B and VII. The two sources of demographic information differ in that the C.P.S. data come from a household survey whereas the ESARS data originate from Job Service Center applicants.

TABLE 21
DEMOGRAPHIC CHARACTERISTICS
OF CETA ELIGIBLE YOUTH BY PROGRAM TITLE
WASHINGTON STATE

Demographic Groups	Estimated Percent of Persons Eligible in Area for:					
	<u>SYEP*</u>		<u>YETP*</u>		<u>YCCIP*</u>	
Sex						
Male	<u>57.9</u>	27.9	<u>58.0</u>	27.9	<u>56.8</u>	44.1
Female	<u>42.1</u>	72.1	<u>42.0</u>	72.1	<u>43.2</u>	55.9
Age						
14 - 15	<u>4.1</u>	22.3	---	---	---	---
16 - 19	<u>55.8</u>	47.6	<u>58.1</u>	63.9	<u>100.0</u>	100.0
20 - 21	<u>40.1</u>	30.1	<u>41.9</u>	36.1	---	---
Race/Ethnic Group						
White (Not Hispanic) .	<u>75.3</u>		<u>75.3</u>		<u>82.7</u>	
Black (Not Hispanic) .	<u>7.5</u>		<u>7.5</u>		<u>5.0</u>	
Hispanic	<u>8.0</u>		<u>8.0</u>		<u>6.9</u>	
American Indian or Alaskan						
Native	<u>3.1</u>		<u>3.1</u>		<u>2.2</u>	
Asian or Pacific						
Islander	<u>6.1</u>		<u>6.1</u>		<u>3.2</u>	

For general information purposes only, the eligibility requirements and the sources of the percentage distribution for each program are as follows:

SYEP (Summer Youth Employment Program): A youth must be (1) at the time of application, economically disadvantaged; and (2) at the time of enrollment, 14 through 21 years of age inclusive. Underlined percentages were derived from the disadvantaged youth provided on the special ESARS tabulations of applicant characteristics. Nonunderlined percentages are from the CPS state distribution of youth eligible for SYEP.

YETP (Youth Employment and Training Program): A youth must be economically disadvantaged or (1) be unemployed or underemployed or in school; and (2) be 16 through 21 years of age inclusive, and (3) be a member of a family with a total family income at or below 85 percent of the Lower Living Standard Income Level. Underlined percentages were derived from data on total economically disadvantaged youth provided on the special ESARS tabulations of applicant characteristics. Nonunderlined percentages are from the CPS state distribution of youth eligible for YETP.

YCCIP (Youth Community Conservation and Improvement Projects): A youth must be (1) 16 through 19 years of age, inclusive, and (2) unemployed. Underlined percentages were derived from the total youth (16-21) applicant column on the state tabulation of ESARS data. Nonunderlined percentages are from the CPS state distribution of youth eligible for YCCIP.

* The two sources of demographic information differ in that the C.P.S. data come from a household survey whereas the ESARS data originate from Job Service Center applicants.

Planning Data Methodology

Population The 1983 state population forecast by sex and age is based on the projections made by the Office of Financial Management for that year. The estimates of the minority population were made using the 1980 census data and projecting them to 1983 using trends in vital statistics and school enrollment.

Persons Potentially Eligible for CETA Programs In April 1981 the Department of Labor provided to the Employment Security Department an estimate of the CETA eligible population taken from the 1980 Current Population Survey. From this, a ratio was determined using the 1980 eligible population divided by the civilian population 14 and over. For the 1983 estimate, this ratio was then applied to the 1983 estimate of the civilian population 14 and over. The CPS distribution of males, females, and age groups was also used to distribute the estimated eligible population in 1983. However, since the CPS sample did not provide sufficient detail on race, the latest ESARS distribution of the disadvantaged population by race was used.

Persons Unemployed 15 Weeks or More This estimate begins with an Employment Security Department forecast of the labor force and total unemployment for Planning Year 1983. Next, the formula stated on page III-122 of the LMI Guidelines was used to determine an estimate of the average number of long term unemployed. The distribution of this group by sex, age and race was made on the basis of the distribution of the disadvantaged unemployed on the state tabulation of ESARS data.

Number of Persons Below Poverty The method used for this estimate was similar to the "potentially eligible" estimate. The 1980 relationship between persons 14 and over below poverty to population 14 and over was applied to an estimate of the state population 14 and over for 1983. Likewise the estimate of males and females below poverty was developed from the 1980 CPS distribution. Unfortunately, these special tabulations did not provide information of the age levels of persons below poverty. For this purpose the distribution contained in Selected Socioeconomic Indicators from the 1976 Survey of Income and Education: Package No. 1 was used.

The demographic characteristics of the poor were estimated on the basis of the distribution of the total, economically disadvantaged, contained in the special ESARS tabulations. The results were then controlled to sex and age totals for the state. Racial characteristics were distributed strictly on the basis of the ESARS distribution.

Number of Persons Receiving AFDC or State General Assistance This count was based on a special tabulation prepared by the Department of Social and Health Services. It indicated the number of recipients by sex, age and race as of the February 1982 AFDC and GA warrant rolls. Latest available estimates from DSHS indicate little change in the total number of recipients by FY 1983.

Characteristics of the Economically Disadvantaged

As defined by the Federal government, an economically disadvantaged individual is:

A member of a family which receives public assistance.

A member of a family whose income during the previous six months on an annualized basis was such that:

The family would have qualified for public assistance if it had applied for such assistance, or

It does not exceed the poverty level, or

It does not exceed 70 percent of the lower living standard income level.

A foster child on whose behalf state or local government payments are made.

A person whose status presents significant barriers to employment:

A client of a sheltered workshop

A handicapped individual

A person residing in an institution or facility providing 24 hour support such as a prison, a hospital or community care facility, or

A regular outpatient of a mental hospital, rehabilitation facility or similar institution.

The lower living standard income levels (Table 22) are from information provided by the Bureau of Labor Statistics. Poverty income levels (Table 23) are established by the Federal Office of Management and Budget. Criteria are revised each year.

TABLE 22

SEVENTY PERCENT OF THE LOWER LIVING
STANDARD INCOME LEVEL GUIDELINES
WASHINGTON STATE, 1982

AREA	FAMILY SIZE						EACH ADDITIONAL
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
King-Snohomish Consortium	(4,320)	7,070	9,710	11,990	14,140	16,540	2,400
Spokane Consortium	(4,100)	6,710	9,220	11,380	13,420	15,700	2,280
Clark County	(4,100)	6,710	9,220	11,380	13,420	15,700	2,280
Tacoma-Pierce Consortium	(4,100)	6,710	9,220	11,380	13,420	15,700	2,280
Snohomish County	(4,320)	7,070	9,710	11,990	14,140	16,540	2,400
Yakima County	(4,100)	6,710	9,220	11,380	13,420	15,700	2,280
Metropolitan BOS	(4,100)	6,710	9,220	11,380	13,420	15,700	2,280
Benton County							
Cowlitz County							
Franklin County							
Grays Harbor County							
Kitsap County	(4,140)	6,780	9,300	11,490	13,550	15,850	2,300
Skagit County							
Whatcom County							
Thurston County	(4,140)	6,780	9,300	11,490	13,550	15,850	2,300
Non-Metropolitan BOS	(4,140)	6,780	9,300	11,490	13,550	15,850	2,300

NOTE: No adjustments to these levels are necessary, since they have already been adjusted by multiplying the lower living standard income levels by seventy percent.

Non-Metropolitan Balance of State includes the following counties:

Adams	Douglas	Jefferson	Mason	Skamania
Asotin	Ferry	Kittitas	Okanogan	Stevens
Chelan	Garfield	Klickitat	Pacific	Wahkiakum
Clallam	Grant	Lewis	Pend Oreille	Walla Walla
Columbia	Island	Lincoln	San Juan	Whitman

Parenthesis indicates that the figure is lower than the OMB nonfarm poverty income level for the same size family.

TABLE 23

POVERTY INCOME LEVELS BY FAMILY SIZE FOR FARM AND NONFARM
FAMILIES IN THE CONTINENTAL UNITED STATES, 1982 ^{1/}

<u>Family Size</u>	<u>Nonfarm</u>	<u>Farm</u>
1	\$4,680	\$4,010
2	6,220	5,310
3	7,760	6,610
4	9,300	7,910
5	10,840	9,210
6	12,380	10,510

^{1/} For family units larger than six, add \$1,540 for each additional nonfarm member and \$1,300 for each farm member.

Of the 219,449 job applicants registered with the Department of Employment Security from October 1981 through May 1982, 35.8 percent (78,523) were classified as economically disadvantaged (Table 24). During approximately the same period in 1981, the proportion of economically disadvantaged was 28.0 percent of total job applicants.

Although only 9.8 percent of the state's population in 1980 were minorities, those groups accounted for 24.2 percent of the economically disadvantaged, reflecting in part their lower level of education and skill training. They contributed heavily to the 38.7 percent of economically disadvantaged applicants who have less than a high school education.

Females comprise one-half of the general population and 47 percent of the disadvantaged job applicants who registered with the Employment Security Department. A year ago, only 42.3 percent of the disadvantaged job applicants were women.

Vietnam Era Veterans dropped from 7.9 percent of the economically disadvantaged applicants in 1980 to 7.1 percent in 1981, but increased to 8.0 percent in 1982.

A substantial change has occurred in the age distribution of economically disadvantaged applicants. Last year, those who were either under age 22 or age 55 and older accounted for 34.4 percent of the total. By the end of May 1982, the percentage had dropped to 22.6. This means that the proportion of disadvantaged applicants ages 22 through 54 increased from just under two-thirds to more than three-fourths.

TABLE 24

CHARACTERISTICS OF JOB APPLICANTS REGISTERED WITH
THE WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT
OCTOBER 1981 THROUGH MAY 1982

	TOTAL		NEW		DISADVANTAGED	
	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
TOTAL APPLICANTS	219,449	100.0	129,136	100.0	78,523	100.0
Male	127,286	58.0	77,053	59.7	41,647	53.0
Female	92,163	42.0	52,083	40.3	36,876	47.0
Minority Groups	40,005	18.2	25,925	20.1	18,967	24.2
Black	12,772	5.8	7,624	5.9	6,718	8.6
American Indian or Alaska Native	5,138	2.3	3,176	2.5	2,476	3.2
Asian or Pacific Islander	7,785	3.6	5,288	4.1	4,471	5.7
Hispanic	14,310	6.5	9,837	7.6	5,302	6.7
Handicapped	10,235	4.7	4,982	3.9	5,107	6.5
Veterans	44,122	20.1	23,100	17.9	14,536	18.5
Vietnam Era	20,676	9.4	11,388	8.8	6,298	8.0
Under Age 22	47,106	21.5	29,506	22.8	15,287	19.5
55 Years or Older	8,688	4.0	4,887	3.8	2,437	3.1
Less Than High School Education	64,484	29.4	9,392	7.3	30,378	38.7

Barriers to Employment of the Disadvantaged

The major barrier confronting disadvantaged individuals in securing employment is a scarcity of employment opportunities. With experienced, fully-qualified workers often willing to accept jobs below their skill level until more suitable openings arise, prospects for the disadvantaged workers are lessened considerably. Even in relatively prosperous periods, noneconomic factors often serve as major barriers to finding and holding a job for disadvantaged individuals. These factors include child care, transportation problems, lack of education, job experience and/or job training, physical and mental handicaps, age, and minority group status. Many disadvantaged individuals must overcome more than one of these factors before becoming employed.

Many of the disadvantaged are welfare recipients, female heads of household, minority group members, handicapped individuals, and persons with less than a high school education. For many female heads of household, securing satisfactory child care arrangements is a significant problem. To offset the resulting costs and make employment financially worthwhile, they must find full-time jobs at reasonable wages. Unfortunately, many jobs open to women with little education or experience provide an income little greater, if as great, as welfare benefits when child care, transportation and other job-related expenses are taken into consideration.

Minority group members still have greater difficulty securing suitable employment than others, although legislation and greater social awareness have reduced discrimination in recent years. A large proportion of the Native American population faces the additional handicap of being located on reservations remote from potential employment and training facilities.

Physically or emotionally handicapped persons also face a disadvantage in securing employment, although most do not have handicaps which affect job performance. National advertising with emphasis on paraplegics and amputees gives many people the impression that mobility and manipulative skills of all handicapped people are impaired, which is not the case. Even those confined to wheelchairs are quite capable of meeting the high job performance standards.

Many young persons also have more than the usual amount of difficulty in finding a job. Over 21 percent of the total job seekers at Employment Security offices are under age 22. Youth entering the job market lack the years of training or experience their older competitors have acquired. With an increasingly technical society, there has been a decrease in demand for unskilled labor. In the past, these positions provided opportunities for unskilled youth to enter the labor force and acquire skills on the job.

The entrance requirements for apprenticeships that are set by joint labor-management committees create problems for disadvantaged youth. Hiring specifications usually include an age limit, a high school

diploma or equivalent, the ability to meet the norms on aptitude tests, and physical attributes which may not be necessary for successful job performance.

A job characteristic of the disadvantaged is a low educational attainment level. More than 38 percent of the disadvantaged job applicants at local job service centers did not graduate from high school. Although high school graduation may be necessary for certain jobs, for many it is not required to perform the assigned tasks well. Employers should review hiring requirements which stipulate educational levels so that the requirements are not unnecessary barriers.

APPENDIX 2

Glossary of Employment and Training Terms

Annual Average The aggregate of 12 months data divided by 12. Annual average data are commonly used for projections and other long-term analyses.

Civilian Labor Force All persons 16 years and older who are either employed or unemployed. Normally published as a civilian labor force by place of residence (see Employment by Place of Residence).

Comprehensive Employment and Training Act of 1973 (CETA) An act which set up a decentralized system of job training, Public Service Employment (PSE) and other employment services. This act provides Federal grants to selected prime sponsors and replaced the Manpower Development and Training Act (MDTA).

Covered Employment Employment in an industry that falls under the coverage of the respective state's unemployment insurance program. In most states presently only agriculture, the self-employed, and some employed students, religious organizations, full commissioned salesmen and elected and appointed officials have significant numbers of non-covered workers.

Current Population Survey (CPS) A monthly household survey of the population of the United States. This survey is the data source for the national estimates of labor force composition. Some CPS data are also incorporated into the state and area labor force estimating procedures to improve interstate comparability.

Economically Disadvantaged An individual whose immediate family either receives cash welfare payments or whose annual income falls below the current Poverty Income Guidelines.

Employment Security Automated Reporting System (ESARS) A computerized tally of all Job Service activities, job applicant and job openings characteristics.

Insured Unemployment A count of persons who have filed claims for state unemployment insurance benefits.

Labor Market Area An area with a central community and economic concentration in which workers can generally change jobs without changing their residence. In most states labor market areas are either counties or groups of counties.

Nonagricultural Wage and Salary Employment Place of work employment that does not include the self-employed, unpaid family workers, domestics

or agricultural workers. Conceptually this is probably the most consistent economic time series available to compare different labor markets over an extended period of time.

Occupational Employment Statistics (OES) A program which produces occupational data for major industries once every three years. Projections by occupation are made to aid educators and other occupational planners.

Standard Metropolitan Statistical Area (SMSA) Except in the New England States, SMSAs consist of counties or groups of contiguous counties which meet specifications of social and economic integration with a central city (or twin cities) of at least 50,000 population. In New England States, SMSAs consist of towns or cities rather than counties.

Unemployment Persons who were not employed during the monthly survey week but were available for work and had either (1) overtly engaged in a jobseeking activity within the four week period up to and including the survey week; (2) were waiting to be recalled from a layoff; or (3) were waiting to report to a new wage and salary job within 30 days.

Unemployment Rate The number of unemployed persons expressed as a percentage of the civilian labor force.

Vietnam Era Veteran (VEV) Any person who served on active duty for a period of more than 180 days, any part of which occurred between August 5, 1964, and May 7, 1975, and was discharged or released with other than a dishonorable discharge; or was discharged or released from active duty for a service-connected disability if any part of such duty was performed between these dates.